Daily Report

Latin America

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FBIS-LAT-91-074 *17 April 1991*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Security Commission Concludes Without Inventories *[ACAN]* 1
Cattle Breeding Cooperation Meeting in Havana *[Havana TV]* 1

CARIBBEAN

Cuba

Aldana Confirms Postponement of PCC Congress *[Madrid EFE]* 2
Tretyak Heads Visiting Soviet Military Delegation *[Havana TV]* 2
Castro Meets With Soviet Foreign Ministry Official *[Havana TV]* 2
Soviet Law Against Political Strikes Noted *[Havana Radio]* 2
Castro Congratulates Antiaircraft Defense Troops *[Havana TV]* 2
Castro Tours Guira de Melena Crop Enterprise *[Havana TV]* 3
Raul Castro Presides Over Turquino Plan Meeting *[Havana TV]* 3
Aldana, Carneado Meet New Ecumenical Leaders *[Havana Radio]* 3
Tourism Construction Agreement Signed With Mexico *[Havana TV]* 3
* Tourism, General Living Conditions Compared *[Montreal LE DEVOIR 18 Mar]* 4

Inter-Caribbean Affairs

Caricom Meeting Convenes To View Single Market 6
To Also Examine Trade *[CANA]* 6
Licensing 'Major' Problem *[CANA]* 6

Antigua and Barbuda

Rescheduling of Debt With Europe Discussed *[CANA]* 6

Dominican Republic

Inquiry Launched on Dominicans in Haitian Jails *[Santo Domingo Radio]* 6

Grenada

Brathwaite Returns From 2-Day Venezuela Trip *[CANA]* 7
Brathwaite Regrets U.S. Has Not 'Done More' *[Bonaire Radio]* 7

Haiti

Calm Returns Following Uprising in Cap Haitien *[Port-au-Prince Radio]* 7
Promise To Lower Prices Noted *[Bonaire Radio]* 8
Anti-Imperialist Demonstration Reported in Jacmel *[Port-au-Prince Radio]* 8
Government Ministers Explain Reasons for Loan *[Port-au-Prince Radio]* 8

Netherlands Antilles

Reformation Party Notes Influential Role in Vote *[CANA]* 9

St. Lucia

New Session of Parliament Opens 15 Apr *[CANA]* 9

CENTRAL AMERICA

Costa Rica

Protesters Block Entrance to Presidential Palace *[San Jose Radio]* 10
Spanish Monarchs Arrive; Welcomed by Calderon *[ACAN]* 10

El Salvador

Deputy Defense Minister Denies Cardenal's Murder *[San Salvador Radio]* 10
Rebels Attack 1st Infantry Brigade Garrison *[AFP]* 11
Rebel Leader Discusses Attack *[San Salvador Radio]* 11
FMLN Attack Damages Hydroelectric Substation *[San Salvador Radio]* 12
National Hydroelectric System Nearing 'Collapse' *[LA PRENSA GRAFICA 5 Apr]* 12

Honduras

Armed Forces Chief on Arms, DEA Operation *[EL HERALDO 16 Apr]* 13
* President Claims Armed Forces Reduction *[EL HERALDO 28 Feb]* 14
* Human Rights Group: Campesinos Tortured, Killed *[TIEMPO 26 Feb]* 15
* Police Torture Campesinos in Land Takeover *[TIEMPO 26 Feb]* 15
* COCOCH Organizes Campesino Opposition *[TIEMPO 14 Feb]* 16
* Spain Donates 32,000 Quintals of Flour *[TIEMPO 18 Feb]* 16
* New Law Requires Employment of Handicapped *[TIEMPO 21 Feb]* 17
* Domestic Hybrid Corn To Replace Imports *[LA TRIBUNA 21 Feb]* 17

Nicaragua

Editorial Views President Chamorro's U.S. Visit *[BARRICADA 16 Apr]* 17
Newspapers Report on Bill To Repeal Law 92 *[LA PRENSA, etc.]* 18
CIAV Envoy Reports Disappearance of Weapons *[LA PRENSA 13 Apr]* 19

Panama

Foreign Minister, Legislator on Safe-Conducts *[Panama City TV]* 19
Banking Association Plans Review of MLAA *[LA PRENSA 13 Apr]* 20
Chorrillo Homeless Demonstrate; Block Bridge *[Panama City TV]* 20

SOUTH AMERICA

Argentina

Former Israeli Prime Minister Meets With Menem *[BUENOS AIRES HERALD 16 Apr]* 21
Nongovernmental Bilateral Conference Concludes *[BUENOS AIRES HERALD 16 Apr]* 21
Antidrug Effort With Bolivia, Paraguay Announced *[LA PRENSA 13 Apr]* 21
Pipeline, Gas Plant With Bolivia Activated *[BUENOS AIRES HERALD 15 Apr]* 22
Paper Reports Details of 3 Dec Coup Trial *[BUENOS AIRES HERALD 16 Apr]* 22

Bolivia

President Paz Zamora on Economic Policies, Drugs
[Frankfurt/Main FRANKFURTER ALLGEMEINE 11 Apr] 23
Investigation of Officer's Death Continues *[La Paz TV]* 24

Brazil

Foreign Debt Negotiator Interviewed on Debt *[O GLOBO 14 Apr]* 25

U.S. Sale of Super Computers 'Not Suspended' *[Brasilia Radio]* 26
Minister to Europe To Discuss Children's Policy *[Brasilia Radio]* 26
Thousands of Metal Workers Strike in Sao Paulo *[Madrid EFE]* 26
Angra-II, III Nuclear Construction Reviewed *[O GLOBO 14 Apr]* 26
* Zelia Lists Individuals for Circle of Support *[VEJA 20 Mar]* 27
* Eris Considers Resigning as BC President *[VEJA 20 Mar]* 28
* Eris on 'Big Project,' Inflation, Deindexation *[O GLOBO 17 Mar]* 28
* Jan Unemployment Data Nationwide Announced *[CORREIO BRAZILIENSE 6 Mar]* 31
* More Parastatals Placed on Privatization List *[O ESTADO DE SAO PAULO 7 Mar]* 31

Chile

FPMR Political Unit Says Armed Struggle Over *[Madrid EFE]* 32
FPMR Faction Charged With Security Violations *[Santiago Radio]* 32
Cuba Reportedly To 'Sever' Ties With Ultraleft *[Madrid EFE]* 33
Agent Accuses Police of Bombings Under Pinochet *[Madrid EFE]* 33
Pehuenche Hydroelectric Plant Begins Operations *[Santiago Radio]* 33

Colombia

Episcopal Conference Communique on Mediation *[EL TIEMPO 12 Apr]* 34
* Leyva Advises FARC on Peace Talks Strategy *[EL TIEMPO 21 Feb]* 34
* Cost of Guerrilla Attacks to Economy Assessed *[EL TIEMPO 27 Feb]* 35
* ANDAL Urges CA To Pardon Narcoterrorists *[EL ESPECTADOR 17 Mar]* 36

Paraguay

Ashwell Appointed to IDB; Minister May Resign *[ULTIMA HORA 16 Apr]* 37
Rodriguez Views 14 Apr Colorado Party Elections *[NOTICIAS 16 Apr]* 38
Correction to Morales Wins Colorado Primaries 38

Peru

Fujimori Holds News Conference *[Lima TV]* 38

Security Commission Concludes Without Inventories

PA1504124591 Panama City ACAN in Spanish 1442 GMT 14 Apr 91

[Text] Managua, 14 Apr (ACAN-EFE)—The absence of peace in Guatemala and El Salvador prevented last night's scheduled presentation of the area armies' weapons inventories at the fourth meeting of the Central American Security Commission. The Central American deputy foreign ministers, who concluded their meeting in Managua last night, set a two-month deadline—which ends on 10 June—for presenting in Guatemala a detailed list of available weapons and supplies.

Nicaraguan Deputy Foreign Minister Ernesto Leal explained that the meeting's main objective was for all countries in the area to disclose their military inventory, but this was not possible "because the zone includes countries where peace has not been fully achieved."

The fourth meeting of the Central American Security Commission, which lasted two days, was left open so that all the countries could fulfill their pledge, which is vital for the implementation of a coordinated plan for regional demilitarization.

The official said that the process to reduce the Armed Forces' weapons and forces in the area is "not restricted" to the results of the negotiations between the rebels and the Guatemalan and Salvadoran Governments.

The Nicaraguan deputy foreign minister said that the commission's previous meeting, held in Costa Rica, included a clause on countries where political violence still prevails. In such cases, it was agreed that these countries could increase the number of some specific weapons to fight the irregular groups.

Leal said that Costa Rica decided last night to give Nicaraguan President Violeta Chamorro, in a sealed envelope, a document listing the country's weapons inventory. On 16 April Chamorro will deliver the envelope—along with another one containing the inventory of equipment, weapons, and installations, and a census of the Nicaraguan Armed Forces' personnel—to OAS Secretary General Joao Baena Soares in Washington. OAS, UN, and Panamanian Government delegates attended the meeting in Managua as observers.

Diplomatic sources also said that the Honduran Government will probably soon deliver its inventory of weapons to Baena Soares through its ambassador in Washington. Guatemala and El Salvador have until 10 June to deliver their inventories, in a continuation of the fourth meeting, which will be held on Guatemalan territory.

The meeting, which took place at a hotel in Managua, ended seven and ½ hours later than scheduled. Members of the Salvadoran delegation withdrew 90 minutes in advance, arguing that "they would not be able to catch the plane and return to their country" if they did not do so.

Deputy Foreign Minister Leal denied that the Salvadoran delegation had withdrawn from the meeting due to the death of Nicaraguan citizen Antonio Cardenal Caldera, who was Nicaraguan President Violeta Chamorro's nephew and a Salvadoran guerrilla "commander" in the northern zone of El Salvador. Leal said that the Salvadoran delegation approved the communique, which was later read to the media, before its departure.

The official said that the Nicaraguan Government has found that the Salvadoran authorities are "willing" to let Cardenal's body be turned over to his relatives so that he may be buried in this country. Furthermore, Salvadoran Deputy Defense Minister General Orlando Zepeda said that Cardenal Caldera's death in northern El Salvador was a "heavy blow" to the Salvadoran guerrilla groups. According to Zepeda, the guerrilla commander was in charge of the Salvadoran rebels' rearguard logistics "in a Central American country" that he refused to specify.

Cattle Breeding Cooperation Meeting in Havana

FL1604150891 Havana Tele Rebelde Network in Spanish 1000 GMT 16 Apr 91

[Text] Ramon Castro, livestock adviser to the minister of agriculture, has stated that there are nations in Latin America and the Caribbean that can contribute effectively to improving cattle breeds in order to make them more productive and resistant. Castro is attending a meeting to form a technical cooperation network for artificial insemination and embryo transfer which is being held in Havana with the sponsorship of the Latin American Economic System [SELA]. Representatives of various Latin American countries are participating in this meeting.

At the meeting it was shown that Cuba in particular has great experience in these specialties gained over several years and has very highly trained technicians and specialists able to offer aid in teaching and research. Ramon Castro stressed that embryo transfer makes it possible for nations that cannot obtain dairy cattle from developed countries to begin to create highly productive cattle herds. Cuba, Brazil, Chile, Guyana, Mexico, Nicaragua, Panama, Paraguay, Uruguay, Trinidad and Tobago, Venezuela, and Ecuador are participating in the new cooperation program sponsored by SELA.

Cuba

Aldana Confirms Postponement of PCC Congress

PA1604181991 Madrid EFE in Spanish 1659 GMT 16 Apr 91

[Text] Havana, 16 Apr (EFE)—Today Carlos Aldana, ideological secretary of the Central Commmittee of the Communist Party of Cuba [PCC], confirmed the postponement of the party's fourth congress, initially scheduled for the first half of this year.

"This is a matter of logistics; the Pan-American Games require all of the country's efforts; that is why the congress was postoned until after the games," Aldana told EFE.

This sports event will be held in Havana and Santiago de Cuba from 2 to 17 August. At any rate, Aldana indicated, the PCC Congress will be held "not too long after the Pan-American Games conclude."

The Central Comittee secretary added that "the congress will be held before the end of 1991," noting that "we are not in a rush, nor do we wish to postpone it."

Aldana also termed as "nonsense and hearsay" the presumed differences between him and Jose Ramon Machado, also a member of the Politburo of the PCC Central Committee, which the Cuban-expatriate media in Miami attribute as the cause for the delay in the congress.

"What nonsense," Aldana stated, and explained, "it is best to let them say what they want because that shows they still do not understand what is happening in Cuba."

The importance of the fourth congress stems from the fact that it will define the political course Cuba will take after the collapse of the old Eastern European bloc, even though the country will remain under a socialist system, as the country's leaders, including President Fidel Castro, have repeatedly stated.

The interview with Aldana took place during the military ceremony, held this morning at Havana's La Cabana Fortress, to mark the 30th anniversary of the proclamation of socialism in Cuba. Raul Castro, Revolutionary Armed Forces minister, presided over the event.

Tretyak Heads Visiting Soviet Military Delegation

FL1604145291 Havana Tele Rebelde Network in Spanish 1100 GMT 16 Apr 91

[Text] The Soviet military delegation headed by Army General Ivan Moiseyevich Tretyak, a Soviet deputy defense minister, will participate this morning in the main ceremony to mark the 30th anniversary of the proclamation of the socialist nature of the revolution and the Bay of Pigs victory. [Ivan] Moiseyevich, who is also the commander in chief of the Soviet antiaircraft defense troops, arrived in Cuba on 14 April in response to an invitation from Minister of the Revolutionary Armed Forces Raul Castro. During his stay in our nation, Ivan Moiseyevich will visit military units and places of economic, historic, political, and social interest.

Castro Meets With Soviet Foreign Ministry Official

FL1604180291 Havana Tele Rebelde Network in Spanish 1700 GMT 16 Apr 91

[Text] Commander in Chief Fidel Castro met yesterday with Valeriy Nikolayenko, the director of the Latin American Affairs Department of the Soviet Foreign Ministry, who has paid a working visit to our country. During the meeting they exchanged views about the situation in the region and also discussed aspects of bilateral relations between the USSR and Cuba. The mutual understanding and spirit of friendship and cooperation that mark relations between the two countries was clear with regard to these subjects.

Castro, the president of the Councils of State and Ministers, was accompanied by Carlos Aldana, secretary of the Central Committee of the Communist Party of Cuba, and First Vice Foreign Minister Alcibiades Hidalgo. Ambassador Yuriy Petrov was present for the Soviet side. Comrade Nikolayenko had previously held working meetings with Cuban Foreign Ministry leaders and officials.

Soviet Law Against Political Strikes Noted

FL1604214691 Havana Radio Reloj Network in Spanish 1955 GMT 16 Apr 91

[Text] Today the Supreme Soviet of the USSR approved on its first reading a bill that deals with the banning of political strikes in this multiethnic state. The morning session of the Soviet parliament, which analysed the bill dealing with changes and amendments to the law on solutions of labor union disputes, was closed to the press. Yesterday's session was also closed to the press.

According to comments made by Soviet reporters, the bill approved today will not be retroactive and will be part of the government's anti-crisis program. The document will not be discussed until next week.

Castro Congratulates Antiaircraft Defense Troops

FL1504140291 Havana Tele Rebelde Network in Spanish 1100 GMT 15 April 91

[Text] The 30th anniversary of the creation of the Antiaircraft Defense Troops was commemorated in Ciudad Libertad as part of the national program of celebrations for the victory of the Bay of Pigs. Many of those that on 15 April 1961 repelled the mercenary air force remembered the occasion in the company of soldiers of the present generation.

Messages of congratulations from Commander in Chief Fidel Castro and Army General Raul Castro were read at the ceremony. Veterans and young artillery troops

remembered those fallen and the days in April in which a group of teenagers aimed their AAA guns at the heart of the enemy.

Castro Tours Guira de Melena Crop Enterprise

FL1704012491 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 17 Apr 91

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba and president of the Councils of State and Ministers, toured the Guira de Melena Miscellaneous Crops Enterprise this afternoon. The chief of the revolution showed interest in the progress of spring planting activities and the current status of crops. This is one of the agricultural enterprises with the best soil in Havana. Good harvest results were obtained because of the work of the mobilized people from the capital and the town of Guira de Melena.

Fidel noted the conditions of the insect and fungi reproduction center and the status of their production used to combat pests and diseases in the plantations. [Words indistinct] of new type, Sonrisa de la Victoria, located near the Guira de Melena enterprise, where he talked about various subjects with a group of mobilized people.

Raul Castro Presides Over Turquino Plan Meeting

PA1604134591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Apr 91

[Text] General Raul Castro, second secretary of the Central Committee of the Communist Party and head of Minfar [Ministry of the Revolutionary Armed Forces], has presided over a meeting during which the results of the 1988-1990 Turquino Plan for the central provinces were analyzed. The meeting took place in Escambray.

During the meeting, it was higlighted that the construction of villages and EJT [Youth Labor Army] camps in the mountain region allowed the Turquino Plan to give adequate priority attention to coffee crops and to strengthen the stability of the agriculture labor force.

Comrade Raul Castro stressed the need to establish preuniversity centers in the region. He added that lower education facilities already exist and that preuniversity centers in the region would reduce the exodus of young people who go to other regions to attend existing centers.

Academy of Sciences comrades reported that they have made significant efforts and progress in organizing, planning, and programming the Turquino Plan strategy in Escambray. They highlighted the Demographic Studies Center's contribution to the Fourth Communist Party Congress. The center conducted the studies that have allowed the municipalities and communities to carry out accurate and distinctive political and ideological programs.

It was also determined at the meeting that current conditions allow for the consolidation of all the investment and development programs for the mountain region and that during the special period, we will be able to attain positive growth rates in fields such as coffee. From the begining, the Turquino Plan's reforestation program has been implemented systematically. The plan's priority objective is to get the mountain region to achieve self-sufficiency in food production and to improve its basic services.

At the end of the meeting, Comrade Julian Rizo Alvarez, alternate member of the Politburo of the Central Committee, expressed his confidence in the Turquino Plan's engineers, technicians, and scientists and in the EJT members, who together with the rest of the population, will be worthy promoters of this great effort.

Aldana, Carneado Meet New Ecumenical Leaders

FL1604153291 Havana Radio Reloj Network in Spanish 1410 GMT 16 Apr 91

[Text] The members of the new executive committee of the Ecumenical Council of Cuba have met with Carlos Aldana, a member of the Communist Party of Cuba [PCC] Secretariat, and Jose Felipe Carneado, head of the Religious Affairs Department of the PCC Central Committee. The current executive committee was elected at the (?35th) assembly of the Council, which is a grouping of evangelical churches.

In the cordial, friendly meeting with Aldana and Carneado, the new leadership of the Ecumenical Council of Cuba reaffirmed the continuity of their constructive positions concerning the revolution's social aims and the unity of the people and for the people, as carried out by the previous executive committee headed by the Reverend Raul Suarez. Council President Orestes Gonzalez; Executive Secretary Rita Oliva; Ezequiel Castillo, vice president for three eastern provinces; and other members of the executive committee participated in the meeting.

Tourism Construction Agreement Signed With Mexico

FL1604153091 Havana Tele Rebelde Network in Spanish 1000 GMT 16 Apr 91

[Text] Bilateral participation in work on a tourism construction project is included in the biennial agreement on professional and cultural cooperation and exchange recently signed between Cuba and Mexico. The goal is to promote the joint construction of this kind of building in the area of Guarda La Vaca, Holguin, Pedro Galiano, president of the National Union of Construction Architects and Engineers [UNAIC], has said.

Exchanges of materials, professionals, and building techniques are included in the document. The working plan for this year also covers holding a Mexican architecture and engineering week in Cuba. The UNAIC maintains relations with 26 nations, and because of the prestige it has gained internationally, it has obtained for Cuba the holding of various international congresses and conferences.

* Tourism, General Living Conditions Compared

91CA0098A Montreal LE DEVOIR in French
18 Mar 91 p 11

[Article by Francois Brousseau]

[Text] Havana—In Varadero, the capital of Cuban tourism and a favorite meeting place for people from Quebec, Germany, and Italy looking for the exotic at a moderate price, real, five-star hotels and elaborate buffet meals have recently appeared.

Meanwhile, in Havana and elsewhere in this immense island 1,200 km long the ordinary Cuban is subject to a kind of rationing—already strict enough for many years—which is now general. This system of rationing was extended last autumn to cover everything from eggs to fresh fish, from cakes of soap to undergarments (one pair of socks per year!), from milk for children to shirts. For the past six months Cuba has been living at the pace of a "special period in time of peace." This means a veritable state of economic siege, which adds to the traditional grumbling and makes it grow.

The peninsula of Varadero is a construction site. Its 20 km of beach will soon be entirely covered with more and more luxurious hotels. According to the Cuban authorities, the accommodation capacity of the peninsula, which currently has 6,000 hotel rooms, will be 30,000 rooms between now and 1995. In 1990 300,000 tourists visited Cuba as a whole (including 50,000 Canadians, particularly people from Quebec). About 600,000 tourists are expected to visit the country in 1991. Canada, Germany, Spain, and Mexico, in that order, provide the largest number of tourists.

Despite some cases of poor reception still blamed on the fact that tourism is just being restored, experienced tourists report more often than not the improvement in the level of tourist service in Cuba during the last five years. At a time when the country has been abandoned by its Soviet big brother, the spectacular boom in Varadero illustrates the determination of the Cuban authorities to throw themselves wholeheartedly into pursuing the tourist bonanza. Although not at the level of luxury and gastronomic refinement of the French West Indian islands, the service provided to foreign tourists in Cuba is now coming closer to Western standards.

However, 15 km from this paradise of sand and sun, in the small city of Cardenas, whose architectural beauty is hidden by the ravages of time added to a total abandonment of external appearances, the automobiles—those famous, multicolored Chevrolets and Studebakers from the prerevolutionary period—have stopped circulating, because they have no gasoline. They are now covered with tarpaulins. Horse-drawn carriages take children to school, and bicycles and small motorcycles fill all of the streets. This is the Third World at the doors of Western luxury: the well-known image that is now inescapable, "the first socialist state in America."

30 Years To Return to the Same Point

Carlos, a taxi driver who took us from the Las Palmeras Hotel (built with mostly Spanish capital and entertaining mostly Spanish tourists) to the well- named Paradiso Hotel (a super Hilton-type hotel moved to Cuba, where you can enjoy its "mojitos" [celebrations] while swimming in its pool, summed up—in a very moderate tone—the attitude of the people toward the unavoidable gap that exists between tourists and Cubans, between the "noneconomy" in pesos and a U.S. dollar, which is more and more imperial and indispensable. He said: "We made the revolution 30 years ago to be done with the humiliation of seeing all of these rich foreigners who came to live the beautiful life here. However, now we are back at the same point: seeing tourists gorging themselves while we tighten our belts more and more."

The litany of economic complaints of the Cuban people against their daily life reminds us of the well-known comments heard in many countries of Central Europe until quite recently. Here the Polish phrase "nie ma" (there is none) becomes "no hay" (there is none) in Cuba. The clandestine money changers attack the tourist here as in Poland. The average monthly salary (150 pesos, approximately $200 at the official rate of exchange) should be divided by eight or even 10 if you want to know its value at the real rate (from 6 to 8 pesos for $1.00). The black market—for tobacco products, alcoholic beverages, and gasoline offered to tourists—is certainly available, despite ferocious and pitiless economic controls. (GRANMA, the official newspaper of the Cuban Communist Party, stated that Cuba must "redouble its determination in the struggle against corruption and speculation and show them an iron fist.")

However, the situation is different from what it was in Prague or Budapest. The children of Havana assail the tourist, holding out "Chiclets," a ball point pen, or even openly displaying a dollar to round off the day. This is a Third World situation that is certainly less miserable than the shacks of Haiti, with their funeral processions of emaciated faces. But it is a Third World situation, even so.

Armando, showing us his neighborhood of San Leopoldo, one of the saddest in Havana, said: "Look how poor it is. We have nothing. What do you expect when I make 93 pesos a month?" To our left was a grocery store, three-quarters empty with a few rows of canned goods, including green beans from Albania, inedible, from what everyone says. In front of us, leading toward the ocean, is a half flooded street, an old man and his fishing pool returning from a fishing expedition in the Havana port area, holding two reddish-looking fishes in his hand. There are children playing with old tires and a few of those incredible Cuban dogs, atrociously thin and entirely covered with sores.

Discouragement and Impotence

Armando, a photographer for a Havana magazine, a well-set-up young man in his 20's, does not hide his

discouragement with the regime from a passing Westerner. However, he admitted his inability to fight against it. He said: "We cannot do what they did in Eastern Europe. We are not organized."

According to Cuban exiles, particularly those based in Miami whom LE DEVOIR consulted, barely 10 to 15 small groups of oppositionists reportedly exist in the island, each with a few members. They have a cowed and totally clandestine leadership. Their principal activity reportedly consists...of asking for the release of their comrades in prison!

Rolando Cartaya was exiled from Cuba in 1987 and works as a journalist for Radio Marti, the anti-Castro radio station financed by Washington, which can easily be received in Cuba on short wave and even on AM at certain times of day, depending on the effectiveness of the jamming activity. He said: "There are about 100 real oppositionists in the whole country."

Radio Marti, established in 1985 and affiliated with "The Voice of America," carefully avoids a militant tone in its reporting. However, in its interviews it clearly devotes a great deal of time to Cuban affairs, as they are seen by the opposition in exile. However, a large part of its broadcast time is given to international news. The radio station will soon have...a correspondent in Moscow! How many listeners it has is unknown. However, several Cubans told LE DEVOIR that they regularly listen to Radio Marti, which added a television station a year ago.

No Opposition Publication

No opposition newspaper or publication is known to exist. The most that appears is that certain Catholic parishes—and particularly the magnificent, baroque cathedral in the heart of Old Havana—publish weekly news sheets where you can find, between strictly religious articles and calls for a "return to religion" (Cuba has many baptized Catholics but few who practice their faith, a tendency that reportedly is changing now), a small phrase with social and political content calling, for example, "for tolerance in the social dialogue." They are a long way from the boldness and number of Polish and Hungarian "samizdat" [illegal] publications of the 1970's and 1980's.

Pedro is 26 years old. He is a student of biological sciences as applied to medicine, an area in which Cuba prides itself on being among the world leaders. As critical as Armando, his friend, he answers a Westerner who speaks to him and who praises—according to the well-known formula—"the undeniable progress made by Cuba in terms of health and education" to lessen the political criticism made against the Fidel Castro regime. He replied: "Yes, we have high- quality medical service. Yes, we are well advanced in research on hepatitis or on interferon, which also interests me. However, just a week ago my mother tried unsuccessfully to find aspirin in the drug stores!"

According to Pedro, the regime is a dictatorship different from the former dictatorships of Eastern Europe, because "Fidelism is not exactly like communism." He continued: "It is a regime that is personalized to the extreme, where a single man decides everything. A man with a mad sense of pride who is always right to the point of absurdity, against all of the evidence. A man who has his eyes fixed in a single direction, whereas the whole world is looking in the other direction."

On this soft Friday evening in March at the "Bodeguita del Medio" [a tourist bar and restaurant], one of the best in Old Havana which, for all practical purposes, only tourists with dollars patronize—a meal costs the equivalent of two or three weeks of work. At the restaurant Pedro dared to propose...a toast to the early downfall of Fidel Castro! This kind of audacity is still very rare in Cuba.

'Pay No Attention; She Is an Old Communist'

However, not all of the Cubans whom you meet casually, like Pedro or Armando, are fundamentally opposed to the regime. Dominating a spectacular viaduct on the route from Matanzas to Havana is a cafe along the road. The cafe is divided into two sections: one, on the outside, is for the tourists. The other is for the Cubans. The waiter, who was very agreeable, assured us that "the immense majority of the people are with Fidel, a genius of the kind who only appears on earth once in a century."

Two women who work at the neighboring "Havana Club" rum distillery would not take part in the political discussion, limiting themselves to saying: "There are not too many problems now, apart from gasoline." Moreover, it was the shortage of gasoline, which forced these two young women to hitchhike more than they are accustomed to do to commute daily between their home and their place of work.

The degree of popularity or unpopularity of the regime is very difficult to measure. The partisans of the regime—or those who give the appearance of being so—say that "the people unanimously or almost unanimously" support the regime, while the local complainers and those living in exile will give you evaluations running from 15 to 40 percent of support for the Communist Party and, above all, for Fidel himself.

In any case it seems that, despite the growing difficulties of daily life and the increase in complaints in the innumerable waiting lines and other public places, the regime still has a base of convinced supporters, no doubt a minority but still real, contrary to the situation with the communist regimes in Eastern Europe when they neared collapse, during the very decadent end of the 1980's.

One example was in the reception that Pedro's family gave us, a foreign tourist visiting his home to have a beer with them (a beer bought from a private party on the black market, after a lengthy search, in the absence of

any cafe or public house in this working-class neighborhood). The grandmother looked with a more than suspicious eye at us, a rare kind of bird who arrived without warning. Our host whispered into our ear: "Pay no attention to her. She is an old communist!"

Generational conflict, widespread complaints, reluctance to engage in overt criticism. Cuba is trembling in the depths, but the surface of the water is still calm.

Inter-Caribbean Affairs

Caricom Meeting Convenes To View Single Market

To Also Examine Trade

FL1604002091 Bridgetown CANA in English 2114 GMT 15 Apr 91

[Text] Georgetown, Guyana, April 15, CANA—A meeting of top Caribbean Community (Caricom) [Caribbean Common Market] technocrats was convened at the Caricom secretariat here Monday to review proposals for the creation of a single Caricom market.

The three-day meeting is also examining trade-related issues. Three reports commissioned by the secretariat relating to remaining trade barriers and a unified Caricom market have been submitted for consideration at the meeting. The secretariat said the focus of discussions was expected to be on the three reports.

Licensing 'Major' Problem

FL1604224591 Bridgetown CANA in English 2212 GMT 16 Apr 91

[Text] Georgetown, Guyana, April 16, CANA—Licensing regimes and payments systems are major problems for intra-regional trade, according to two reports being considered at a meeting of Caribbean Community (Caricom) [Caribbean Common Market] trade and other officials ending here Wednesday.

"These are two of the major barriers that have come out in these two reports and these need to be urgently addressed," Hayden Blades, head of the Caricom Secretariat's Trade and Agriculture Division, said. Blades said the two problems need urgent attention if a regional free trade regime is to be introduced by the July 1991 deadline.

Top technocrats meeting at the Georgetown-based secretariat are reviewing progress towards a single Caricom market targetted for 1994. The two studies were commissioned by the Caricom Secretariat. Another consultant is preparing a report on systems used to conduct intra-regional trade and the areas for the simplification of these systems.

Blades said that there is a limited number of member countries which have licences operating only in respect of third country imports. "The other countries operate their licensing regimes where the licensing systems work against third country goods as well as goods that qualify for Caricom origin treatment," Blades said.

The three-day meeting in Georgetown is also looking at widening trading relations between Caricom states and non-Caricom Caribbean and Latin American countries.

Antigua and Barbuda

Rescheduling of Debt With Europe Discussed

FL1504194091 Bridgetown CANA in English 2132 GMT 14 Apr 91

[Text] St. John's, Antigua, April 14, CANA—Antigua and Barbuda is holding talks with European creditors on the rescheduling of some debts, newly appointed Finance and Trade Minister Molwyn Joseph said. Financial Secretary Keith Hurst and new Economic Development Minister Dr. Rodney Williams were in Europe last week for meetings with creditors.

The sums being rescheduled were not stated. Antigua and Barbuda has a national debt of over U.S. 250 million dollars.

Joseph told reporters late last week the financially-strapped government, as part of debt management, was also considering measures to get the most out of current levels of expenditure whilst controlling its growth. Proposals being looked at include cutting back on the use of rented buildings to house government operations, reducing the costs of operating state vehicles, and the redeployment of staff within the public sector to boost efficiency.

"My view is that we have enough capable people in the system that we can take them from certain areas where they are not as productive and put them in certain areas where they can be more productive," Joseph said. Joseph said improving the collection of revenue was also being examined.

Dominican Republic

Inquiry Launched on Dominicans in Haitian Jails

FL1504184191 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 15 Apr 91

[Text] The constitutional government has initiated investigations in response to the reports of arrests and imprisonment of Dominican nationals residing in Haiti. The investigation is being carried out in Port-au-Prince through diplomatic channels after repeated complaints over the persecution of Dominicans residing in the Haitian capital.

Vice Minister of Foreign Affairs Fabio Herrera Cabral has reported on the official inquiries, requesting that the Government of Haiti provide the number of Dominicans jailed and the charges against them. The functionary explained

that it is unknown how many Dominicans are in jail and what charges have been made against them.

Herrera Cabral said that he has no confirmation of the stories that Dominican minors are suffering imprisonment in Haitian jails. He did acknowledge that he has heard these charges repeatedly. The Foreign Ministry has instructed the ambassador and consul accredited in Port-au-Prince to request the freedom of those detained.

Grenada

Brathwaite Returns From 2-Day Venezuela Trip

FL1504184291 Bridgetown CANA in English 1653 GMT 14 Apr 91

[Report by Richard Simon]

[Text] St. George's, Grenada, April 14, CANA—Prime Minister Nicholas Brathwaite returned Saturday night from a two-day state visit to Venezuela, reporting the South American state was expected to take up a 45 percent shareholding in a proposed oil refinery project here.

"The understanding is that Venezuela will provide the crude, and thus be allocated 45 percent of the shares," Brathwaite told reporters at the Point Saline International Airport. "Grenada would provide the land and be allocated 25 percent, and a group out of Texas would provide the investment to build the refinery and would get 35 percent," he added. The Texan group was not named. The project is expected to be completed before 1996.

Brathwaite announced an arrangement under which Venezuela would provide 200 low-income houses here. Fifty will become available "almost immediately," and the rest over an extended period, he said. The Grenadian leader also reported the Caracas Government had pledged to meet at least one third of the cost of a proposed sports stadium to be built here. Grenada also requested Venezuelan assistance in the teaching of Spanish here.

Brathwaite, who held talks with Venezuelan President Carlos Andres Perez and was awarded the Order of the Liberator, Venezuela's highest national honour, described the trip as "one of the most important" he had undertaken since taking office a year ago.

"We established a very good relationship," he said of the talks with Venezuelan officials. As a result of the visit, a joint commission of Venezuelan and Grenadian officials is to be established to oversee Venezuelan-supported projects here. The body will meet alternately here and in Venezuela.

Brathwaite also said Grenada was seeking to arrange a meeting involving, on one hand, St. Lucia, St. Vincent, Dominica, Grenada, Trinidad and Tobago, and Venezuela, to discuss maritime boundaries "so that we can explore the question of joint oil exploration."

Grenada is currently pursuing talks on political unification with St. Vincent, St. Lucia, and Dominica.

Brathwaite Regrets U.S. Has Not 'Done More'

FL1704123191 Bonaire Trans World Radio in English 1130 GMT 17 Apr 91

[Text] Grenadian Prime Minister Nicholas Brathwaite says he is disappointed that wealthy donor countries have not done more for his country. He told the Voice of America that he is particularly concerned that the U.S. has not provided more assistance. The Grenadian leader believes his country has made a great effort toward solving its own economic problems. However, he said some donor countries seem to want more from Grenada and he fears too much structural change would plunge the country into recession.

Mr. Brathwaite also says Venezuela has agreed to take part in a proposed oil refinery project to be built in Grenada. That plan would also include a company from Texas which would provide funding for set-up costs and receive 35 percent ownership. Grenada will donate land for the project and receive 25 percent, and Venezuela will provide the crude oil in exchange for a 40-percent stake. The Grenadian leader said the project would not begin in the immediate future.

Haiti

Calm Returns Following Uprising in Cap Haitien

FL1604205591 Port-au-Prince Radio Nationale in Creole 1300 GMT 16 Apr 91

[Excerpt] According to a dispatch by AFP, one person died and at least one other was injured yesterday by gunfire during looting in Cap Haitien.

About 1,000 demonstrators took to the streets to protest the high cost of living and against people who hide food products in warehouses. Many of these young people participated in the looting and tried to defy the Army which did not succeed in controlling them. They were able to loot several rice and cement warehouses.

The Hotel Imperial belonging to Fred Beliard, an importer, which is located at the city limits of Cap Haitien, was visited by the demonstrators who thought that food products were hidden there. They ransacked the hotel. The problem of electricity, which has been virtually nonexistent in the city for several weeks, made them more boisterous. This demonstration, which was without violence, took a political turn when some demonstrators began shouting slogans against Americans and in favor of Cuba. Our correspondent there, Jean-Joseph Rony Paul, reports on the situation today.

[Begin Paul recording] Today began with calm in Cap Haitien. Schools returned to normal. A very large demonstration brought together several groups, several thousands of people, in the streets on 15 April in Cap Haitien. This

situation resulted in 13 people being injured with the butts of Army rifles and the death of a young person. Circumstances lead to other acts of violence such as the ransacking of the Hotel Imperial and Emile Oufa's store. [Words indistinct] store broken into, looted, and tires set on fire.

Today, 16 April, has dawned with calm. Schools resumed normal activities. While traveling around almost the whole city of Cap Haitien, we noticed that the businesses which normally open very early remain closed. The buses which did not run yesterday have resumed their schedules. [passage omitted] [end recording]

Promise To Lower Prices Noted

FL1704131691 Bonaire Trans World Radio in English 1130 GMT 17 Apr 91

[Text] Haitian police in Cap Haitien are reported to have killed one person and wounded another in clashes with hundreds of protesters. The demonstrators ransacked businesses and food warehouses on Monday. They were reportedly angry over the limited availability and high price of rice and other food staples.

Haitien President Jean-Bertrand Aristide had promised to lower food prices and import additional rice. Rice has become dramatically more expensive over the past few weeks.

Anti-Imperialist Demonstration Reported in Jacmel

FL1604194091 Port-au-Prince Radio Metropole in French 1600 GMT 15 Apr 91

[Report by unidentified reporter in Jacmel]

[Excerpts] On 14 April, an anti-imperialism demonstration took place in Jacmel [southern region] following a concert by singer Mano Charlemagne.

[Begin reporter recording] In Congo Plage in Jacmel, on 14 April, a festival honoring the 43d birthday of Mano Charlemagne turned into a demonstration in support of Jean-Bertrand Aristide. Mano Charlemagne, after singing some politically motivated songs, addressed the audience on the several political activities taking place in the country and specifically on how the Aristide-Preval government was functioning. He talked about the private staff of Father Jean-Bertrand Aristide. Charlemagne requested that the population be able to talk with Father Jean-Bertrand Aristide, who should keep an eye on his secretariat which is not doing a good job.

Mano Charlemagne spoke about the Chamber of the Senate which holds an ambiguous position. He reminded the audience of Allende in Chile in 1976 and asked them to be alert to big countries. He then commented on the departure from the country of the U.S. and French ambassadors.

After the festival, a crowd headed by Mano Charlemagne marched down the streets to the mayor's office. There several members of different organizations spoke about the current situation in the country. Mano Charlemagne also declared 14 April a day of popular mobilization. He stated that President Jean-Bertrand Aristide is not functioning well with the people whom he has around him now. [passage omitted]

Several other people spoke during that demonstration. They spoke about the high cost of living and other situations facing the country. According to the demonstrators, people are stockpiling food and not wanting to sell to the general public. This is a way to push people to rebel. The demonstrators said they would go to court to prosecute people keeping food.

Rain and a power failure caused the demonstration to be postponed to another day. Several artists from Jacmel also took part in the celebration. [end recording]

Government Ministers Explain Reasons for Loan

FL1504215591 Port-au-Prince Radio Haiti-Inter in Creole 2000 GMT 12 Apr 91

[Report on a news conference by Minister of Public Works and Transportation Frantz Verella with unidentified reporters in Port-au-Prince on 12 April—recorded]

[Text] [Reporter] The government needs money to create jobs, build roads, hospitals, community clinics, and so forth. In addition to Haitian citizens in the country and outside the country who are collecting money to help, the government is forced to ask wealthy people to lend money to contribute to the establishment of infrastructure in the country. The minister of commerce and industry as well as the minister of public works met with the press today to explain this matter which was dropped like a bomb.

According to Smarck Michel, the minister of commerce, this loan will be reimbursed over a four-year period, with an interest rate of 5 percent. The ministers believe that this loan will help wealthy people to invest in the country because if there are no network of roads, hospitals, and so forth, it would be difficult for people to invest and spend money.

The minister of public works explained the urgent tasks needed to be undertaken to create jobs, build roads, and add to the infrastructure in the country.

[Verella] There are a number of steps that have been taken by the government in three priority sectors within the framework of public works. The first priority seems to be the institutional reinforcement of the ministry. We want to begin projects and create jobs. We need, however, the means to do so. The structures within the ministry need to be polished to make them more efficient. Second, many problems in the country are related to roads and transport in general. Therefore, this sector seems a priority. We took some steps to start projects in this sector. The third priority is urban development in general and we have set up projects there. We analysed them and saw what could be done. Within these three priorities, we could have accomplished several very quickly but there are others that would have to be completed in the long term.

The current projects require major investment. For instance, infrastructure projects such as roads, drainage systems, public markets, and domestic garbage collection number up to 60 projects. The reinstatement of the urban network in Port-au-Prince as well as the inter-urban network would cost about $80 million. The projects must be completed over the long term. Considering the situation in which people are living, they can wait no longer. They have no breathing room. The projects are set up in two stages. The first stage is to start on urgent projects so that people do not tire while waiting for the larger projects to begin.

[Reporter] The government is forced to ask people, who are able, to help complete the short-term projects. Many questions—whether business people who lend money would ask for a monopoly—were raised. The minister of commerce explained that the only concession people would have is to have pay issued by the end of the year in the form of bonds instead of cash. The minister explained how much they urgently need this money. The journalists asked why the request for this loan came out on 12 April, with 15 April at noon as a deadline. According to Commerce Minister Smarck Michel such a deadline does not mean for him to have collected the money. He will receive phone calls from people interested in lending and once the money is collected, it will be approved by the National Assembly. Then, the projects for which this loan is intended may begin.

Netherlands Antilles

Reformation Party Notes Influential Role in Vote

FL1604182991 Bridgetown CANA in English 1717 GMT 16 Apr 91

[Text] Philipsburg, St. Maarten, April 16, CANA—The five-and-a-half-month-old National Reformation Party (NRP) here said it made a difference in the just concluded St. Maarten Island Council elections.

NRP leader Richard Gibson, whose party polled just under 450 votes in the election, thus becoming the fourth-largest party on the island, said the party's participation in the elections also contributed "to raising the level of politics."

"We made political parties work harder than they have ever worked before, and we raised issues that were not addressed before," said the NRP in a letter congratulating the parties and winners in the election in which no party won an absolute majority of seats in the Island Council to form a new government.

The NRP said it will continue to let its voice be heard and raise the issues which are important to St. Maarten and its people. The party again called for the number of seats in the law-making body to be increased from nine to 11.

St. Lucia

New Session of Parliament Opens 15 Apr

FL1504195591 Bridgetown CANA in English 1721 GMT 15 Apr 91

[Text] Castries, St. Lucia, April 15, CANA—A new session of the St. Lucia Parliament opened Monday, two days before Prime Minister and Minister of Finance John Compton presents the government's 1991 budget.

Delivering the traditional throne speech, Acting Governor-General Stanislaus James referred to international developments over the past few months and said it had become more imperative for closer unity among regional states. The Gulf War resulting from Iraq's occupation of Kuwait and the abortive coup in Trinidad and Tobago had exposed "the vulnerability of small states," he said. "This danger again reinforces my government's frequent call for greater coordination of regional security and an institutional vehicle for rapid response to such challenges."

St. Lucia, a member of the Barbados-based Regional Security System (RSS), is pursuing plans for a political union of the Windward Islands—an initiative James said had attracted general acclaim and support here.

James said St. Lucia would support Haiti's new democratic government in its plans for economic and social development, but warned that Castries would be reluctant to show similar support for Suriname, where an elected government was overthrown in a coup late last year. "St. Lucia will.... be very reluctant to support further expansion of the existing Caricom [Caribbean Common Market] relationship with the Republic of Suriname, unless satisfied that the pending elections are free and fair, and the military plays a less obtrusive role in the affairs of the government," he added.

James said St. Lucia was satisfied that Guyana had agreed to allow a Commonwealth observer team to monitor the conduct of forthcoming general elections. Guyanese opposition parties have been calling on Caricom governments to send their own observer team for the elections, but the governor-general's speech made no reference to the call.

In the new term, James said the government planned to upgrade legislation dealing with work permits, the environment, labour, and drugs. He said there were "certain deficiencies" in anti-drug legislation enacted a few years ago.

Costa Rica

Protesters Block Entrance to Presidential Palace

PA1604202591 San Jose Radio Reloj in Spanish 1829 GMT 16 Apr 91

[Live relay by William Cespedes from the presidential palace in San Jose]

[Excerpts] We have some last-minute news. Something that can only happen in Costa Rica is happening at the presidential palace at this very moment. A group of people who live at the Paraiso industrial housing project in Cartago have blocked the three entrances to the presidential palace to protest the fact that they have no water or power in their homes. In another example of their inefficiency, the guards at the Presidential Palace failed to take the necessary measures when the people started blocking the gates. Therefore, the ministers, the president of the Republic, and more than 300 officials assigned to receive the Spanish monarchs cannot leave the presidential palace.

The Paraiso residents are bent on keeping the entrances blocked until they receive a promise from the government to pay the 6 million colones needed to get power and water installed in their homes. Until that time, they will remain where they are and no one will be allowed to leave the premises. They have said that this measure was taken because they have been unable to get solutions from the government during the past four months. Security Minister Victor Emilio Herrera, Government Minister Luis Fishman, and Foreign Trade Minister Roberto Rojas have been talking to the demonstrators. The protesters, who are carrying posters and Costa Rican flags, have said that they will not allow the government officials or the president to leave the presidential palace. The Spanish monarchs are due to arrive at the Juan Santamaria International Airport in 55 minutes. [passage omitted]

Police have arrived and things are getting red hot here. The police are trying to clear the entrance, but the demonstrators pick up their children and hang on tightly to the gates. We can see that there is fighting between the residents of Paraiso and a group of police who have just arrived at the southeastern entrance of the presidential palace. The ministers and presidential officials remain inside the palace.

I report that fighting has broken out between the police and the demonstrators. The demonstrators are responding to the blows they are receiving from the police attempting to clear the entrance so that the president of the Republic can leave the premises. The posters and the banners have been taken away from the demonstrators and the police continue to attempt to clear the gate.

Now the area has been cleared and the gate is opening to allow the government officials to go to the airport. However, the confrontation continues and mothers are taking their children in their arms and placing themselves in front of the cars and throwing sticks and stones at the official cars that are speeding by. The clash between the police and the demonstrators continues. We have to leave now because we have to get to the Juan Santamaria International Airport to cover the arrival of the Spanish monarchs. The president of the Republic, ministers, and other government officials have also left the premises and are on their way to the airport. [passage omitted]

Spanish Monarchs Arrive; Welcomed by Calderon

PA1704033491 Panama City ACAN in Spanish 1911 GMT 16 Apr 91

[Text] San Jose, 16 Apr (ACAN-EFE)—Spanish King Juan Carlos and Queen Sofia arrived in Costa Rica today, where they will stay until 18 April.

The monarchs arrived at 1300 (1900 GMT) at San Jose's Juan Santamaria International Airport, where they were met by Costa Rican President Rafael Angel Calderon and his wife, Gloria Bejarano, with whom they listened to their countries' national anthems.

During their first day in Costa Rica, the monarchs will attend a private luncheon and meet with the Spanish community in this country. President Calderon will host a dinner in their honor at his private residence this evening.

The Spanish monarchs are accompanied by Foreign Minister Francisco Fernandez-Ordonez, who will sign a diplomatic agreement with his Costa Rican counterpart, Bernd Niehaus.

On the afternoon of 18 April, the king and queen will travel to Nicaragua for a three-day visit. They will return to Spain on 20 April.

El Salvador

Deputy Defense Minister Denies Cardenal's Murder

PA1604133691 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 16 Apr 91

[Text] Salvadoran Deputy Defense Minister General Juan Orlando Zepeda has denied that the Salvadoran Army captured and murdered guerrilla chief Antonio Cardenal, a nephew of Nicaraguan President Violeta Chamorro.

In statements published by the influential newspaper LA PRENSA [of Managua], [words indistinct] Zepeda also stated that some 400 Nicaraguans are members of the Farabundo Marti National Liberation Front [FMLN] and participated in the November 1989 offensive.

The Salvadoran general said that Cardenal, the 40-year-old Nicaraguan, aka Commander Jesus Rojas, died in an ambush staged by the Salvadoran Army in a mountainous region of El Salvador.

Zepeda participated in the fourth meeting of the Central American Security Commission which ended in Managua on 13 April. The participants in the meeting discussed the inventory of weapons and troops of the armies in the region.

In a communique, the FMLN General Command said in San Salvador that Commander Jesus Rojas was murdered with premeditation and for deliberate political reasons.

Cardenal died on 11 April along with 12 other FMLN combatants in Nueva Trinidad, in northern Chalatenango Department. Cardenal's family is making arrangements to bring the guerrilla chief's body to Managua.

Rebels Attack 1st Infantry Brigade Garrison

PA1604153591 Paris AFP in Spanish 1505 GMT 16 Apr 91

[Text] San Salvador, 16 Apr (AFP)—Official sources have confirmed that this morning urban guerrillas carrying explosives attacked the garrison of the 1st Infantry Brigade, located in northern San Salvador.

After the explosions, which were heard in across San Salvador, many ambulances and vehicles were dispatched to the site of the attack.

The magnitude of the attack and the number of casualties were unknown at 0845.

Rebel Leader Discusses Attack

PA1604235291 San Salvador Radio Cadena Sonora in Spanish 1600 GMT 16 Apr 91

["Exclusive" telephone interview with Robin Martinez, head of the urban commandos of the Farabundo Marti National Liberation Front, by an unidentified reporter; place and date not given—live or recorded]

[Text] [Reporter] What activities have you carried out over the past few hours in San Salvador?

[Martinez] We started yesterday with an attack on the militarized La Mascota substation. Today we attacked the 1st Brigade's garrison. Those actions are in response to the Army High Command's provocations—provocations that are occurring at a time when we are negotiating—in zones under our control as a specific response to the murder of Commander Jesus Rojas.

This morning's operation, which was called "Commander Jesus Rojas, We Swore To Win," was carried out by Farabundo Marti National Liberation Front [FMLN] Modesto Ramirez commandos.

This action demonstrates two things: First, it shows the FMLN's ability to reply to this type of provocation. In any event, it was a reply. In other words, the High Command has given us virtual carte blanche to operate against enemy commands. For more than a year we had practically suspended personal actions against military commanders. Now we have resumed such activities in retaliation.

[Reporter] This morning we talked to Colonel Francisco Elena Fuentes of the 1st Infantry Brigade and [two-second break in reception] of violent actions that have intensified since yesterday in this capital could become a response from the urban militias and the FMLN in general following the death of guerrilla Commander Jesus Rojas. Col. Elena Fuentes asked if the attacks perpetrated last night against the electrical system had affected the soldiers. In his statement to the press this morning, Col. Elena Fuentes asked: Were the utility poles blown up last night, officers? What is your position with regard to Col. Elena Fuentes' statement?

[Martinez] The action against La Mascota substation and now against the 1st Brigade is the beginning of retaliatory actions. We had nothing to do with the blowing up of utility poles. From this moment onward, our command has banned the blowing up of utility poles in the city. We believe that our reply must be specific and aimed directly against military targets, following the number one rule—no harm to the civilian population.

[Reporter] Does this mean that the FMLN urban militias would not claim responsibility for at least six dynamite attacks carried out last night in various parts of the capital?

[Martinez] We have no knowledge of those actions.

[Reporter] If the FMLN guerrillas did not carry out those actions, could it be interpreted, then, to be part of an Armed Forces plan to try to implicate the rebel forces?

[Martinez] I cannot confirm that, but those people are capable of anything.

[Reporter] Will violent actions against military targets continue?

[Martinez] In reality, what causes more violence in this city is the high degree of militarization, whereby the Army acts like a virtual occupation force. Therefore, we will continue to respond to the provocations of the regime. However, we want to clearly state our willingness to negotiate. We are determined to negotiate seriously, but at the same time we will reply prudently and as long as the war continues we will reply to the military provocations of our adversary.

[Reporter] How much negative influence could this type of action have on the dialogue process taking place in Mexico?

[Martinez] We must take into account that the negotiating process was brought on by the fact that there exists a state of war here. What the opposing sides should avoid are provocations such as those they carried out in Chalatenango. Since they claim that they can enter the areas under our control, we also can—and we have proven it—enter cities, specifically the capital. It is not

merely that, however. We do not need to storm the city because our army, one segment of our army which fights in Chalatenango and other areas, is already in the city. We have an army corps in the city and it is well-trained, very effective, and possessing a capacity to respond. Basically, our plans are to respond at this time. We make our responses effective and devastating.

[Reporter] Robin, ultimately, the violent actions have virtually started.... [changes thought] Rather, the FMLN's actions have virtually started a new phase in this war.

[Martinez] Indeed, I believe that we are entering a new phase. We must understand that there is a war that is cause and consequence.... [changes thought] Violence is the cause and fair response is a consequence. Thus, I believe that all sides must put initiative and a constructive spirit into the negotiations. Meanwhile, there is a state of war and when they provoke us, we will respond—and we have plans for just that. We want to tell our people that they must trust us. We have plans to respond.

[Reporter] You are speaking of a virtual new phase of the struggle that began as of yesterday, in response to the death of Commander Rojas. This shows that the FMLN.... [changes thought] You were saying that there is an order from the staff of the FMLN, from the FMLN's General Command, not to attack the electrical and communications systems. We could virtually say that the war against the system and the country's economy has already stopped and that the war is already centered, or that the attacks are directed at primarily military objectives.

[Martinez] The war has mainly, and above all, been directed against the war economy, not the country's economy. What we are trying to do now is suspend the sabotage of utility poles in the cities, but we have to.... [changes thought] The people need to continue to drain the government's war budget. Thus, we will continue to attack objectives that bleed the war economy, but the sabotage of utility poles has henceforth been suspended. I want to say one thing, we are indeed entering a new phase, but we want to see this phase as the negotiating phase, the search for a political solution. Of course, the war is still not over, and as long as it is not over, the logic of war will persist. We will try to impose the logic of negotiation, the logic of solution, to the logic of war. What we are now saying is that, to the degree that they see the solution coming, a fair and patriotic solution, they become desperate. The enemy becomes more aggressive. Thus, our people, the masses, the urban commandos, and the revolutionary army must be ready to respond positively. That is legitimate and comprehensible.

[Reporter] Nevertheless, Robin, if you are announcing some kind of military campaign against garrisons, chiefs, and officers of the government's Armed Forces, up to what point could this provoke some sectors labeled as hardliners within the Armed Forces to deviate from the negotiation process underway in Mexico?

[Martinez] It is possible, and we are seeing this at the negotiating table. The government's hard hand is expressing itself. There is also provocation at the table. There are attempts to mock and introduce setbacks at the table. However, I want to make something clear: we have not spoken about a campaign; we have said we will respond at the moment and to the degree demanded by the provocations. This is what we are prepared for. Our plans are for responses, but they will be devastating responses.

[Reporter] Cadena Sonora listeners in all 14 departments of El Salvador, at this hour of the morning we have spoken directly to Officer Robin, chief of the urban commandos of the urban militias of the FMLN, which has claimed responsibility for the attack carried out today at 0805 against the 1st Infantry Brigade's garrison where seven vehicles were destroyed and two soldiers, one mechanic, and an assistant mechanic were wounded. The officer of the urban militias has also spoken about other interesting topics, among them, the negotiations being carried out in Mexico.

FMLN Attack Damages Hydroelectric Substation

PA1604165691 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 16 Apr 91

[Text] Farabundo Marti National Liberation Front [FMLN] urban commandos dynamited several lampposts in the northeastern section of San Salvador on the night of 15 April. According to the official report, the destroyed lampposts are located on the street to San Antonio Abad, A Avenue, San Miguel, and on the main street of Colonia 17 de Mayo. [Words indistinct] left no victims and only caused material damage.

On this topic, [words indistinct] also reported that FMLN guerrilla columns attacked Treasury Police positions in the [words indistinct] canton located in San Martin, approximately 3 km to the west of San Salvador, on the night of 15 April. The official report states that the CEL [Lempa River Hydroelectric Executive Commission] substation in San Martin was seriously damaged but does not mention if the police suffered casualties. The attack started at approximately 2000 and ended around 2200.

National Hydroelectric System Nearing 'Collapse'

PA1304155191 San Salvador LA PRENSA GRAFICA in Spanish 5 Apr 91 p 3

[Text] The Lempa River Hydroelectric Executive Commission (CEL) is on the verge of collapse because 85 percent of its facilities has been damaged by terrorism and the government has a debt of 377 million colons.

CEL President Colonel Sigifredo Ochoa Perez and high-ranking executives of the institution, as well as distributors of the energy system, held an urgent meeting with the media yesterday to explain that the whole system may collapse before the end of the year. This would

create the most critical problem the country has faced and would also affect the private sector and consumers.

The president detailed the critical situation that the institution has faced in the economic-financial and technical sectors, and the urgent efforts that have been exerted to overcome it.

The main goal of the meeting was to review the causes that have led to CEL's current situation.

The spokesmen reviewed the short- and long-term consequences that must be faced, the nature and magnitude of the actions that are being proposed, and the efforts that the different sectors of the nation must exert to solve the problems.

Engineer Miguel Sandoval Guerra revealed the statistics and charts that show how difficult it will be to overcome the government agencies' enormous debt, which has reached catastrophic levels as a whole.

The adverse economic conditions in which CEL has been compelled to operate have precluded any efforts to adequately strengthen and expand the system's capability to generate energy.

Honduras

Armed Forces Chief on Arms, DEA Operation

PA1704004291 Tegucigalpa EL HERALDO in Spanish 16 Apr 91 p 3

[Report by Armando Villanueva]

[Text] Armed Forces Chief General Luis Alonso Discua Elvir said on 15 April that the existence of arms in Central America is exaggerated, but the closing of Honduran military bases must be carried out "in due time," at least until the necessary conditions are present in the country.

Gen. Discua Elvir made the aforementioned statements in a private meeting he had in Valle de Angeles with journalists.

Referring to the seizure of 44 kg of "cocaine," which took place in San Pedro Sula on 6 April, Discua Elvir reiterated that the courts will have the last word with regard to those involved in drug trafficking activities.

Gen. Discua Elvir stated that this situation will be resolved by the courts, and he added that the government and the Armed Forces have already expressed their opinions on the issue.

According to Gen. Discua Elvir, the action perpetrated by the DEA is an "isolated event" that will not have an effect on the "friendly" relations between Honduras and the United States, especially on the military exercises carried out by the armies of both countries. Gen. Discua Elvir reiterated, however, that the aforementioned situation was prompted by a lack of communication and coordination, adding that what the government and corresponding courts did "is correct."

Relations between the Honduran military authorities and the DEA are at this moment of "mutual respect and understanding," because both organizations are interested "in fighting drug trafficking side by side, and I do not think that this incident will adversely affect the good relations that have always existed."

In this regard, Gen. Discua Elvir noted that the Armed Forces will continue to support all programs intended to fight drug trafficking.

Meanwhile, Gen. Discua Elvir said that the incident between a journalist and a police officer, both from San Pedro Sula, will not affect relations between the press and the Armed Forces.

"One person was assaulted; one did the attacking" and the corresponding courts will decide, Gen. Discua Elvir said. He added that journalist Anariba Calix will be able to resolve this problem in court.

Discua Elvir said that this is a "problem between two people" who belong to different organizations. He added that although someone may wear a military uniform, it "does not make him omnipotent before the law."

In this regard, Gen. Discua Elvir said that "there is one officer involved in the assault" who will go to court, "not as an officer, but as an individual."

Gen. Discua Elvir said that he was going to meet on 15 April with the presidents of the Journalists Association [Colegio de Periodistas] and the Honduran Press Association [Asociacion de Prensa Hondurena], Rene Zepeda and Mario Hernan Ramirez, respectively, to discuss the aforementioned issue.

The idea, he said, is "that this issue not get out of hand and that it be considered a confrontation between the Armed Forces and the journalists. I request your understanding, but you must know that there has been an act of aggression; someone has been attacked and apparently someone is guilty. However, this is up to the judges to decide." He added that he respects the Law on Freedom of Thought.

When asked about the reduction of the armies in the area, the military chief said that, at present, "there is an exaggerated number of weapons in Central America and I believe the number of weapons must be reduced if we want peace, progress, and development in the five Central American nations."

According to Discua Elvir, it is necessary for the five countries to act in good faith in the development of this process to achieve "equilibrium and parity" of the armies in the region.

In this manner, they will become the guarantors of the security of these nations and not the aggressors. Honduras is in favor of "making peace so that we can make progress and develop the Central American area."

Concerning the visit of General Colin Powell, chairman of the Joints Chiefs of Staff of the U.S. Armed Forces, Gen. Discua Elvir said that the high-ranking U.S. officer's visit was for the purpose of "getting to know" Honduras during a courtesy visit.

He added that they exchanged views on the problems of the region, and during their conversation they touched "on everything that concerns military aid, and that the mission of the new Armed Forces in Latin America should be that of supporting the democratic governments and supporting the development of these countries."

The U.S. Pentagon is planning to close over 40 military bases within and outside U.S. territory, as part of a program to reduce military expenses in that country and thus lower the fiscal deficit.

Inasmuch as this project could entail the withdrawal of the 1,200 U.S. troops stationed at the "Enrique Soto Cano" (Palmerola) base in Comayagua, Discua Elvir explained that there is a military treaty signed by the two nations and that it must be respected by the governments of both nations.

He pointed out, however, that is a decision that must be made by the government in the future "in due time, when Central America enters a phase of development."

Discua Elvir said that it "is completely false" that Gen. Powell requested the help of the Honduran Armed Forces to intervene militarily in El Salvador toward the military defeat of the guerrillas in that nation.

* President Claims Armed Forces Reduction

91CA0096A Tegucigalpa EL HERALDO in Spanish 28 Feb 91 p 39

[Text] President Rafael Leonardo Callejas Romero yesterday reiterated that "nations are not strong because their governments or armies are large, but because their society is strong and productive. That is what gives nationhood its true dimension."

He made this statement during the closing ceremonies for the 1st Antiaircraft Artillery Battalion, whose facilities are to become the CENACE [Experimental Agricultural Development and Environmental Conservation Center].

The chief executive indicated that he considers this closing a reduction in the armed forces, for the deactivation of an anti-aircraft battalion means a reduction in size.

"The decision to reduce the armed forces was a unilateral decision on the part of the government; it is part of the strategy set by the top command, and my administration has taken two actions: the 10-percent budget cut, and my word that, in accordance with the Central American geopolitical situation," the army's size will be reduced.

However, when asked whether the conversion of this unit to an agricultural center marked the start of a physical reduction, the president was not specific, saying: "I do not want this to have implications beyond the deactivation of one military unit."

Compatible With Changes

Callejas Romero stated that his administration is pleased about this deactivation, as it is the most specific and clear sign of the professional transformation of the military within the past 15 years.

The armed forces, aware of the new thinking and the reality of the contemporary world, and acting at their own initiative, decided to become a part of productive life, he said.

He added that the decision to join in the effort to protect our natural resources and for the soldiers to become a part of the nation's agricultural and economic life is in harmony with the present situation in Honduras.

It is "compatible with the idea that the armed forces are now an institution which must become a part of our national productive life; the transformation of Honduras demands this type of decision, which is not an easy one, but which will be beneficial for our people," he maintained.

Armed Forces Occupy a Vital Position

The chief executive also alluded to the words of the armed forces commander, that the constitutional mandate will be respected and there will be no further coup d'etats.

"This absolute determination and intention to comply with the law is a real incentive and a genuine expression that democracy is the only answer to the nation's political life, since in politics there is only one duty, which is democracy," he commented.

"These pages (coups d'etat) are past history, pages of a book which is now closed, for in the book of the present there will be no actions other than those which arise from the people's will, and the armed forces have a vital role to play," he said.

Although he said that there are no latent threats, but only comments by some groups who want to sow the seeds of anarchy, he did say that the words of General Luis Alonso Discua have emerged from the shadows and encouraged some people to try to return to the past.

*** Human Rights Group: Campesinos Tortured, Killed**

91CA0096F San Pedro Sula TIEMPO in Spanish 26 Feb 91 p 10

[Text] Tegucigalpa—The vice chair of CODEH [Human Rights Protection Committee of Honduras], Anibal Puerto, yesterday reported an escalation of human rights violations, including the "murder" of a campesino and the illegal arrest of several farmworkers who were mistreated, abused, and tortured by the police and members of the armed forces.

The human rights official provided detailed data on these human rights violations during a speech he gave yesterday in the Hotel Prado's meeting room, at which he presented seven people who stated they had been abused by members of the military.

"We are of the opinion that when such a series of human rights violations is perpetrated, something is going on between the government and the military," he stated.

Puerto said that the actions of the state security forces totally invalidate the statements by President Rafael Leonardo Callejas on human rights, and show once again the supremacy of the military. "The DNI [National Investigation Department] uses more force than is usual to control crime, and even when they are criticized for their actions, they keep on doing the same things."

He said that one of the worst human rights violations took place on 19 February when a campesino, Moises Castillo, a member of CNTC [National Federation of Rural Workers], was seized by two police agents identified only by their surnames, Acosta and Barrera, in the village of Callejones, Macuelizo, Santa Barbara.

Puerto reported that, according to witnesses, Castillo was dragged by the policemen to the road, and when a van was driving by, they intentionally threw him into the road, so the heavy vehicle would kill him.

Last Thursday, added Puerto, in Concepcion del Norte in the same department, a FUSEP [Public Security Force] agent named Carias attacked a campesino, Juan Angel Alvarado, and shot him in the right hand with a rifle, attempting to apply the well-known "escape law."

He also reported the illegal arrest of a farmworker, Angel Maria Bonilla Donaire, 56 years old, a resident of the village of Las Mercedes, Villa de San Antonio, Comayagua, and a CNTC member.

Bonilla Donaire was accused by a landowner, Juan Aeschlimnan, of threatening to kill him and take over his land.

He explained that on 18 February at 1830, 10 policemen came to the place where the farmworkers lived, firing their weapons and causing them to flee. Then they caught Bonilla Donaire, tied him up by hand and foot, and tortured him in a variety of ways.

*** Police Torture Campesinos in Land Takeover**

91CA0096G San Pedro Sula TIEMPO in Spanish 26 Feb 91 p 10

[Text] Tegucigalpa—"They beat me with rifles and an iron bar, they kicked me, they forced me to crouch on top of an anthill, and finally tied me to a tree." Those were some of the tortures which campesino Angel Mar Bonilla Donaire reported yesterday.

He said he was seized by police agents while they were being ousted from 40 "manzanas" of land they occupied in Las Mercedes village, in the jurisdiction of Villa de San Antonio, Comayagua.

Bonilla Donaire, 56, the father of 12, belongs to the Tenampua Group of this community, which is affiliated with the CNTC [National Federation of Rural Workers].

The campesino group, which has 29 members, occupied 40 "manzanas" of land. They had reached an agreement with the supposed owner of the parcel, Juan Aeschlimnan, Colonel Eduardo Hernandez, and attorney Simona Panchame, an INA [National Agrarian Institute] employee, that they would only stay for one harvest there, and then they would leave the farm.

However, the CNTC leaders reported that the landowner did not comply with his part of the agreement. He allowed livestock to roam in the cornfields, destroying the crops. Then he attacked the farmeworkers as they were leaving the area.

Bonilla Donaire said that at about 1900 on 17 February 10 FUSEP [Public Security Force] agents came to their cultivated parcel and surprised them by firing arms, causing his coworkers to flee.

He said he was the first to fall into the hands of the police. They told them they were doing this because the campesinos insisted on occupying that parcel of land, which had an owner whom they should respect.

"They tied me up by hand and foot, hit me in the face with a rifle and with an iron bar. Then they tied me to a tree, and finally they made me crouch down on top of an anthill," said the farmworker.

He said that one policemen ordered another to "tie up this son of a bitch." "They told me they were going to kill me so you could not do anything about it, and they said other similar things. I told them I had 12 children and that I needed to work the land to feed them."

He explained that he only saw four policemen. After they tortured him for a while, they took him to a police station in Comayagua, where he was kept for two days without any food, "not even a scrap of tortilla."

He added that the same fate met his coworkers, Rigoberto Castro, Eusebio Salinas, German Bonilla, and Benjamin Castillo, who are also CNTC members.

* COCOCH Organizes Campesino Opposition

91CA0096B San Pedro Sula TIEMPO in Spanish 14 Feb 91 p 9

[Text] Tegucigalpa—Groups affiliated with COCOCH [Campesino Organizations Coordinating Council of Honduras] yesterday said they will mobilize over 100,000 farmworkers to demonstrate in the capital city if the National Congress does not reform the Municipalities Law.

They also demanded that they be included on the board of directors of the Sula Valley Integral Development Council; they noted that this large mobilization could lead to a change in the present peaceful situation, as conditions in agriculture tend to worsen.

The leaders of COCOCH, to which 90 percent of the nation's peasant organizations belong, said during a press conference that both the Municipalities Law and the Sula Valley Integral Development Authority bill are unconstitutional and are legal monstrosities.

Taking part in the press conference were: Nahun Calix, the coordinator of COCOCH and of FECORAH [Federation of Honduran Agrarian Reform Cooperatives]; Oscar Mejia, president of CNTC [National Federation of Rural Workers of Honduras]; and Antonio Rodriguez, president of the ACAN-UNC [National Campesino Association-National Campesino Union].

In a document submitted yesterday to the president of Congress, Rodolfo Irias Navas, the campesinos stated their position on the disputed Municipalities Law. They warned that if this law is not amended, "the problems of rural areas and of agriculture may tend to worsen, and the peace we have had until now could change."

COCOCH indicated that the municipalities have a political, not an operational or technical nature, in rural areas; so it is very difficult for local governments to have or acquire the capability to plan and carry out community development programs.

COCOCH is of the opinion that in the management, conservation and utilization of resources, the national interest, technical criteria and standards of efficiency should prevail. Unfortunately, the vast majority of the municipal corporations would not fit this description, as they were not structured to perform such functions.

"The present law's provisions could be used to obtain financial resources so that the fundamental criteria would be economic, and conservation and environmental preservation would be neglected," they emphasized.

On the subject of public finance, COCOCH said the law does not make it clear whether the real property to which reference is made will become municipal property, as common land, with the state keeping ownership of these lands, or whether the property title will pass to the municipal corporations.

Congress must give special consideration to the agrarian reform areas, where in some cases the National Agrarian Institute has awarded provisional land ownership titles, and in other cases only occupancy authorizations; possession of the land must be reasserted.

Despite the vicissitudes and fluctuations of the Agrarian Reform Law between stagnation and dynamism, this legislation has improved living conditions for some of the population, they reported.

In addition, the COCOCH members alleged that the Sula Valley Integral Development bill was drafted to favor small economic groups in northern Honduras, and that it is not constitutional.

Nahun Calix, the COCOCH coordinator, said this bill gives exclusive power over the land to those affiliated with the chambers of commerce of Cortes and El Progreso, as it practically gives them full control.

"By this law, Congress is turning land over to a group of persons, and this needs to be corrected. If it is not, there may be uprisings by the campesinos," they warned. The farmworkers have been excluded from the Sula Valley development, since they do not sit on the Board of Directors.

There are over 15,000 campesino families in the Sula Valley, occupying an area of 100,000 hectares, but there are over 200,000 farmworkers without land.

Congress has provided a period ending on 28 February for modifying the Municipalities Law. After that date has passed, if there is no reform "we will soon be organizing peasants to march on the capital."

"At first we would mobilize over 100,000 campesinos to march on the capital. Later, we would call upon the over 200,000 families without land who are only waiting for the call, for their future lies here," said Calix.

He said that the dispute is not only with the INA [National Agrarian Institute], but also with the nation's 289 municipalities.

COCOCH is made up of ANACH [National Association of Honduran Campesinos; FECORAH; OCH [Campesino Organizations of Honduras]; and UNC, as well as other groups.

* Spain Donates 32,000 Quintals of Flour

91CA0096D San Pedro Sula TIEMPO in Spanish 18 Feb 91 p 5

[Text] Last Saturday the Government of Spain donated the equivalent of 32,000 quintals [1 quintal equals 46 kg] of wheat flour to President Rafael Leonardo Callejas.

The donation was valued at 2.5 million lempiras; it was made by the ambassador of Spain to Honduras, Julio Albi de la Cuesta, to President Callejas. The delivery was made at the IHMA [Honduran Agricultural Marketing Institute] warehouse, which is located here.

IHMA will sell the donated flour at the market price and the money will be invested in FHIS [Honduran Social Investment Fund] projects.

The Spanish ambassador stated that this donation reflects the good state of relations between the two nations. He also announced that within a few weeks he will inaugurate a health center and a school located in Lago de Yojoa.

President Callejas remarked that this donation was extremely important, especially as its reflects the good relations between the two nations.

He said that in 1989 donations by the Government of Spain amounted to $10 million, and in 1990 they exceeded $50 million.

Some of the persons attending the donation ceremony were: the IHMA manager, Andres Avila; the regional manager, Roberto Torres; the head of the 105th Brigade, Colonel Julio Pavon; the director of the FHIS, Alonso Valenzuela; Mayor Hector Guillen; and the political governor of Cortes, Ramon Flores.

* New Law Requires Employment of Handicapped

91CA0096C San Pedro Sula TIEMPO in Spanish 21 Feb 91 p 3

[Text] Tegucigalpa—The National Congress has passed the Handicapped Persons Employment Opportunities Law; its goal is to integrate citizens with physical disabilities in the work force.

The law was discussed during a third and final debate on Tuesday evening; it requires all companies to hire one handicapped person for each 20 employees, two for each 50, and four for each 100.

The law also provides that 30 percent of the National Lottery revenues will be distributed among citizens with physical disabilities; PANI [expansion not given] will regulate and enforce this provision.

The new law protects all job rights for the handicapped and gives the Honduran Handicapped Persons Training and Rehabilitation Institute the authority to coordinate the placement of physically disabled citizens with the ministry of labor.

It also orders the creation of a Personal Employment Conditions Evaluation Committee, which will be composed of professionals with expertise in this field; they will provide their services "ad honorem."

This commission will conduct followups of newly hired and rehired workers in order to evaluate their general productivity; it will periodically submit lists of persons who have been certified as eligible for job placement.

In addition, the legislation orders the state to set up and promote sheltered employment centers, cooperatives, small companies or other sources of employment for the handicapped, so that they can be provided with remunerative occupations.

Handicapped persons unable to work in normal conditions are to be placed in special sheltered employment centers, to be set up by the state or private enterprise.

The establishment or maintenance of such centers will be deductible from income taxes.

INFOP [National Institute of Professional Training] was ordered to include among its training programs special courses for training the handicapped.

* Domestic Hybrid Corn To Replace Imports

91CA0096E Tegucigalpa LA TRIBUNA in Spanish 21 Feb 91 p 22

[Text] In order to increase production and avoid importing yellow corn, the Ministry of Natural Resources, through the Agricultural Research Department, will make two new types of hybrid corn seed available to farmers this year.

According to Federico Trece Ramos, a Ministry of Natural Resources staff member, the new seed crosses being tested are producing good results, since they offer high yields, producing 5 to 6 metric tons per cultivated hectare, which is similar to white corn yields.

Honduras imports large quantities of yellow corn, which is used to make food concentrates for livestock. However, as soon as the experimental stage ends, the corn produced will not only meet national demand, but provide exports for the Central American market as well.

He stated that at this time the agency for which he works is developing the technology, which it will then transfer to all interested Honduran farmers.

Ramos said that when the seed is placed on sale the price will be determined by supply and demand at that time. His agency will only provide technical assistance to farmers, so that the seed will always be available in the market, and speculation can be avoided.

He also reported that the department, as a state agricultural research organization, is working on other experiments intended to boost the productivity of rice, beans, sorghum and soy crops.

Nicaragua

Editorial Views President Chamorro's U.S. Visit

PA1704041491 Managua BARRICADA in Spanish 16 Apr 91 p 3

[Unattributed editorial: "The Official Visit to Washington"]

[Text] President Violeta Barrios de Chamorro began an official visit yesterday to the United States where, in addition to meeting with President Bush and other officials, she will speak before both houses of the U.S. Congress. This honor, uncommon for a foreign visitor, should not necessarily be interpreted as a reflection of

the interest in Nicaragua that exists in Washington, but as self-congratulations for a government born from the interventionist policies of the United States in a country that had extraordinary importance for the United States over the past decade.

Few people in Washington are really interested in the fate of Nicaragua or Central America. This is not simply because the attention of the White House is concentrated on the larger topics of world politics—the competitiveness of the U.S. economy, relations with Gorbachev and the Soviet Union, the future of formerly communist Eastern Europe, and the aftermath of the Persian Gulf war—but also because, following imperial logic, there is more of an inclination to finance wars than to assume responsibility for postwar reconstruction. Panama and Nicaragua are two typical examples of such behavior.

President Chamorro and her advisers have the opportunity, however, to take advantage of their ties with the U.S. Government to promote a friendly, sovereign, and fruitful relationship. It all depends on whether they have the political will to defend a national undertaking that may be placed above the pressures and conditions of the United States. The results of the president's trip to Washington could partially answer that question, although many do not even think it is acceptable as a hypothesis.

Three main problems make up the expectations for the presidential visit. First is the central government's need to accelerate disbursement of Agency for International Development [AID] funds, which are vital to supporting the Economic Stabilization Plan. To date, it has been calculated that at least half of the $300 million approved last year by the U.S. Congress have not been programmed, because they are waiting for Nicaragua to accelerate implementation of economic reforms demanded by Washington. Accepting that virtual "co-government" with the AID would mean sacrificing the viability of any attempt at a national undertaking now or in the future. Yet, demanding a relationship with no conditions from the AID would grant the government that minimal margin of flexibility needed to administrate short-term economic policy.

The second topic is related to the need to guarantee stable financing, not only for next year, but for at least the entire decade of the 1990's, to compensate for the aid that the United States did not give Nicaragua over the previous 10 years.

Medium-term financing is closely linked to the decision of the International Court of Justice and the $17 billion indemnification that the United States should pay Nicaragua. This is an unavoidable problem for the government. Furthermore, some sort of extra-judicial arrangement between the two sides would not be incongruous with the national interests as long as a war reparations policy was established by the United States. On the other hand, Nicaragua has the right to demand effective support from Washington to achieve its reentry into the international financial community, from which we were separated because of the war and the embargo. The United States could, for instance, condone Nicaragua's bilateral debt, estimated at approximately $300 million. This would have little financial importance, but would have great symbolic meaning as an incentive for Japan, Germany, and other allies of Washington to act in a similar manner and favor a quick negotiation with the IDB [Inter-American Development Bank] and the World Bank.

The third package of problems—and not necessarily the least important—of the presidential agenda, will be the political pressure involving Nicaragua's increasing economic dependence on the United States. For Washington's middle-term interests it is a priority to force the replacement of the high commands of the Army and the police, to create conditions to alter the nature of both institutions. However, for The Possible Nicaragua—as the slogan promoted by the UNAN [National Autonomous University of Nicaragua] calls it—respect for the Constitution and the transition agreements represent a minimal guarantee for social stability. Preserving that stability's bases is the president's unavoidable duty, and under the current circumstances it becomes a real test of sovereignty.

Newspapers Report on Bill To Repeal Law 92

PA1304003991

[Editorial Report] Here is a compilation of reports from Managua Spanish-language newspapers regarding the decision by President Violeta Chamorro on 4 April to submit a bill to the National Assembly asking for the repeal of Law 92, which compels the government to seek compensation from the United States. The law is based on the 27 June 1986 ruling by the International Court of Justice (ICJ) at The Hague.

LA PRENSA on 5 April carries a 600-word unattributed report that states that Mrs. Chamorro seeks to "consolidate" the ties of friendship with the United States and that Law 92 "was hurriedly" approved during the final days of the Sandinist regime to "keep the new government from normalizing relations with the United States."

"As can be learned from its content, the repeal of Law 92, which today will be sent to a National Assembly commission, will permit enforcement of the ICJ ruling, since it calls on the sides in conflict to seek an agreement within a framework of friendship, mutual respect, and cooperation," the report adds. In addition, LA PRENSA quotes "presidential sources" as stating that with this bill Mrs. Chamorro seeks to reaffirm her constitutional mandate of guiding foreign policy matters. Reacting to the president' initiative, Deputy Sergio Ramirez, president of the Sandinist National Liberation Front (FSLN) bloc is quoted as saying FSLN deputies "will oppose the repeal, since they continue to believe the assembly must decide on the problem of the ICJ ruling."

BARRICADA on 5 April on pages 1 and 13 carries a 650-word report by Roberto Larios, which cites "sources close to Mrs. Chamorro at the National Assembly" as saying the president submited the bill under "direct pressure from the U.S. Department of State, as an 'indispensible' condition to maintain support for the government's economic program." The report adds that National Assembly President Alfredo Cesar said that Mrs. Chamorro had not sent the bill as "urgent, and noted that it was 'very premature' to say whether it has the support of the pro-government bloc."

BARRICADA adds that as news of the Chamorro initiative was circulating, U.S. Embassy official Ron Goddard, described as the "second in command" at the U.S. Embassy, visited Cesar, although Cesar "denied Goddard had come to exert pressure for that bill." The newspaper quotes Cesar as rejecting "any kind of meddling" from U.S. Congressman Robert Torricelli, a ranking member of the House Foreign Relations Committee, "if the ICJ case is brought up anytime during the meeting they are scheduled to hold today."

EL NUEVO DIARIO on 6 April on pages 1 and 8 carries a 350-word unattributed report on FSLN reaction to the Chamorro bill. "In a communique issued after analyzing various currrent topics, the National Directorate states that the president's request violates international law and, in particular, the right of the Nicaraguan people to be compensated for the harm caused by the unlawful Reagan policy, considering the fact that the ICJ ruling orders the U.S. Government to compensate Nicaragua," the report notes.

BARRICADA on 7 April on pages 1 and 8 carries a 550-word report by Roberto Larios on comments by former President Daniel Ortega on the visit to Nicaragua by Congressman Torriccelli. Ortega is quoted as "demanding" from Congressman Torricelli that the U.S. Government end the Bush administration's "blackmail" against the Chamorro government and "accept the ICJ ruling that orders the United States to pay Nicaragua $17 billion." Ortega adds that the U.S. Government wants Nicaragua to withdraw the suit in exchange for a "plate of beans and 30 coins," while instead it should "pay the amount set by the ICJ; this would solve the country's development problems." BARRICADA also states that Ortega urged the people to oppose the government's attempt to repeal Law 92.

CIAV Envoy Reports Disappearance of Weapons

PA1604131191 Managua LA PRENSA in Spanish 13 Apr 91 p 2

[Text] Matagalpa [no date as published]—Some 152 rifles turned in by the Nicaraguan Resistance [RN] in October of last year during the disarmament process have disappeared from the Technical Material Supply warehouses in Matagalpa. An announcement to this effect was made by Alberto Blandon Baldizon, representative of Cardinal Miguel Obando y Bravo on the International Commission of Support and Verification [CIAV].

The CIAV-OAS organization is aware of the loss. It was discovered when Blandon Baldizon and the organization's representative were verifying the list of weapons turned in on 20 February.

Blandon Baldizon said that there are various kinds of weapons missing: Garands, FAL's, RPG-7's, AK's, AK-47's, and Chinese AK's. Government Ministry reports here indicate that Deputy Government Minister Dr. Jose Pallais Arana ordered the transfer of those weapons to Managua.

RN representatives are interested in confirming this report. They are afraid that these weapons will be used by former military personnel and Sandinists in the northern mountains to commit robberies and other crimes and then lay the blame on the former anti-Sandinist guerrillas.

Panama

Foreign Minister, Legislator on Safe-Conducts

PA1604222791 Panama City Circuito RPC Television in Spanish 1730 GMT 15 Apr 91

[Text] The people must understand that there is no pressure from those countries that are offering asylum to grant safe-conducts to former government officials and soldiers, Foreign Minister Julio Linares has said.

[Begin Linares recording] If the Panamanian Government must grant safe-conducts, you can rest assured that neither the president nor I will be happy about this. There are times, however, when governments, if they want to work seriously and responsibly, must make decisions that are not the most popular and are not going to be well-accepted. If that decision must be made, we are aware that it is going to be an unpopular one that the people, the president, and I will not like. [end recording]

Legislator Francisco Artola, president of the Arnulfist party, has said that the safe-conducts are part of international agreements.

[Begin Artola recording] We do not feel that the safe-conducts should be granted, but we must also think of the international commitments that Panama has made and must fulfill. Our country's international relations have been seriously questioned, particularly by our brother Latin American countries. They are all pressuring our government for those international agreements to be abided by.

Thus, we are at a crossroads: We either maintain a low level in our international relations with our brother countries, or we grant these people, whom everyone knows are criminals, their safe-conducts. [end recording]

Banking Association Plans Review of MLAA

PA1604134391 Panama City LA PRENSA in Spanish 13 Apr 91 p 12A

[Article by Althea Foster de Chavarria]

[Text] Edgardo Lasso Valdes, president of the Panama Banking Association [ABP], has stated that this organization will initiate a detailed review of the Mutual Legal Assistance Treaty (MLAA), which was signed between Panama and the United States to fight money laundering, to make sure the treaty includes the recommendations made by the ABP during the negotiation.

Valdes pointed out that the ABP closely followed all developments related to the MLAA because it may both positively or negatively affect the banking center.

He said that according to information provided by the Foreign Ministry, the MLAA covers the recommendations made by the ABP with respect to not including tax evasion as Panama requested of the United States.

"I believe the MLAA should be looked at positively because it will indicate to the world that it is not true that bankers in Panama are opposed to cleansing the banking center of drug traffickers and money laundering," he emphasized.

Lasso also said that the MLAA "will be very positive for Panama," to the extent that it serves to show what the ABP has said on several occasions with respect to its disposition to fight money laundering.

He warned that from now on it will be a matter of goodwill from both sides, especially from the United States, which has been able to request information "just as it has been doing for several years."

Chorrillo Homeless Demonstrate; Block Bridge

PA1704034591 Panama City Circuito RPC Television in Spanish 1730 GMT 16 Apr 91

[Text] This morning homeless Chorrillo neighborhood residents blocked access to the Bridge of the Americas to protest the government's failure to fulfill numerous demands, 15 months after the U.S. military operation in Panama. Public Force antiriot police arrived at the site to normalize traffic on the bridge.

[Begin unidentified Chorrillo homeless spokesman recording] We are staging this protest because 15 months have passed since the invasion and the promises made to the residents of El Chorrillo have not been met. On top of that there is evidence that Mr. Figueroa [former housing minister].... [changes thought] I do not know what we are waiting for.... [changes thought] You heard him on all the media when he stated, he said that the Chorrillo residents were fighting for a just cause—their $3,500. The houses that they have been granted are in complete disrepair and not worth what they cost. The buildings that were refurbished in El Chorrillo by the 23 December Urban Renewal Project are in shambles; they were only painted. There are still people who are sleeping on the floor. Permanent housing was promised to those who did not have it, and those who did have homes were promised that their mortgages would be paid up. There are people still paying rent to the Housing Ministry or to the Urban Renewal Project. You can visit the new houses and see for yourselves that the floor is cracked. This is a $300,000 robbery. The price of the houses were quoted with windows, but instead decorative cement blocks were installed. Is this not true? As far as the houses in rural neighborhoods are concerned, there are homes in which walls have already come down. [end recording]

Subsequently, Deputy Housing Minister Rodrigo Sanchez personally came to the site to talk with the demonstrators.

[Begin recording] [Sanchez] We are not going to meet with you here in the street. We have always received you at the ministry.

[Unidentified demonstrator] When we go to the ministry, there is never anyone who can meet with us, they are always in meetings so we go for nothing....

[Sanchez, interrupting] That is not true....

[Demonstrator, interrupting] Yes, it is true. [end recording]

After an exchange of opinions with the deputy housing minister, the demonstrators withdrew peacefully.

Argentina

Former Israeli Prime Minister Meets With Menem

PY1704010491 Buenos Aires BUENOS AIRES HERALD in English 16 Apr 91 p 1

[Text] (DYN)—Former Israeli Prime Minister Shimon Peres, leader of the opposition Labour Party, met yesterday with President Carlos Menem and Foreign Minister Guido Di Tella to analyze bilateral ties and international relations in the aftermath of the Persian Gulf War. Peres, who arrived in Argentina on Sunday [14 April] told a press conference that "it is positive that Argentina has abandoned the non-aligned position and has committed itself to the advanced, democratic world," referring to the nation's participation with two ships in the naval blockade against Iraq. Peres refused to draw parallels between inflation in Israel and Argentina: "Inflation starts in a different way in each country and individual methods for combating it must be found," he said. Peres also shared lunch with Menem and Economy Minister Domingo Cavallo, personalities from the diplomatic world and the president of the Delegation of Argentine-Israeli Associations (DAIA), David Goldberg, among others.

Nongovernmental Bilateral Conference Concludes

PY1604010891 Buenos Aires BUENOS AIRES HERALD in English 16 Apr 91 p 11

[By Michael Soltys]

[Text] Both sides of the Anglo-Argentine nongovernmental conference held in Bariloche under the auspices of the Argentine Council for International Relations (CARI) over the weekend held a press conference yesterday morning to sum up its conclusions.

Veteran BBC anchorman Michael Charlton was chosen to sum up the British side. He said that the cultural talks of Pedro Somoncini and Raul Castagnino had traced back Anglo-Argentine relations to the halcyon days of the 30's when Virginia Woolf and Victoria Ocampo spoke the same language.

Then came Juan Domingo Peron (or "political developments in the late 40's and early 50's," as Charlton put it). But after that time Latin American culture arrived in Britain to the extent that Jorge Luis Borges could draw a crowd of thousands. This process in turn was reversed by the South Atlantic War and Charlton urged that we should be working to offset its 10th anniversary next year now by promoting cultural and scientific exchange, as well as personal contacts at all levels. The veteran journalist also commented on the extraordinary large number of English schools here.

Jose Maria Llados, Defence Production Secretary in the previous Radical administration, summed up the various international, regional and economic findings. British investment will not necessarily all be going to Eastern Europe, he quoted his visitors as saying. He also found plenty of common ground between the two sides on the Gulf blockade, the foreign debt, the Mercosur Southern Cone Common Market project, European Community farm subsidies and the Franco-Australian proposal of a mining moratorium in the Antarctic (both Britain and Argentina question the last two items).

Sir James Eberle, former Director of the Royal Institute for International Affairs, hailed the constructive spirit and quoted Mendoza Governor Jose Octavio Bordon's warning that the constraints of government made it less easy for them to arrive at agreements than such groups as the Bariloche meeting.

The last word inevitably went to British delegation leader Lord Montgomery of Alamein, who picked up Charlton's description of good cultural relations 50 years ago, saying that there had also been good economic relations in that period when Argentina was one of the most prosperous countries in the world. He concluded that a good British group had been matched by the Argentine side, whose excellent hospitality would be extremely difficult to equal when the two delegations next meet in England in September, 1992.

Antidrug Effort With Bolivia, Paraguay Announced

PY1604130291 Buenos Aires LA PRENSA in Spanish 13 Apr 91 p 3

[Text] (EFE)—The security forces of Argentina, Bolivia, and Paraguay have established the bases of a secret plan to carry out simultaneous operations in the struggle against drug trafficking in the border zones of the three countries.

Argentine Government experts have said that the details of this plan were reviewed during the discussions of the first Trilateral Meeting of the Operational Forces against the Illegal Drug Trade [Reunion Trilateral de Fuerzas Operativas contra el Trafico Ilicito de Drogas] that ended yesterday in Buenos Aires.

The meeting, which responds to agreements signed among the three countries, served to analyze a number of reports, especially one presented by General Elias Gutierrez Araday, head of the Bolivian Special Antinarcotics Force.

The plan agreed during the meeting will create a barrier against the marijuana and cocaine traffic that has reached alarming levels for the Argentine authorities.

The simultaneous operations to control drug trafficking will be carried out by surprise by the security forces of each country in the border zones that are considered to be "critical."

Agreement was also reached on a number of "priorities" to increase patrolling and to prevent the "small-scale trafficking" of coca leaves, cocaine, and marijuana that is carried out in small quantities through regions that are difficult to reach.

The government experts also explained that control of the "mules," the people who carry small quantities of drugs to prevent their discovery, requires close cooperation among the security forces.

These organizations have found it very difficult to find the clandestine airstrips used by drug trafficking organizations.

The experts indicated that, on several occasions, dirt access roads were used by drug traffickers as airstrips for drug trafficking activities.

The participants of the meeting exchanged information and reviewed improved mechanisms to control the trade of chemical products, especially acetone, hydrochloric acid, and ether, that are used to process cocaine.

Argentina and Brazil appear to be the suppliers of these products, which, in some cases, are imported by Bolivia and Peru for their pharmaceutical laboratories but which, in many cases, are used to process cocaine paste.

Pipeline, Gas Plant With Bolivia Activated

PY1604033691 Buenos Aires BUENOS AIRES HERALD in English 15 Apr 91 p 7

[From the "Argentina in Brief" column]

[Text] (NA)—A gas processing plant and pipeline transporting 500,000 cubic metres of fluid daily to Argentina was inaugurated over the weekend by Bolivian President Jaime Paz Zamora. The event was attended by Salta Governor Hernan Cornejo and YPF [Government Oil Deposits] oil company president Jose Estenssoro, and marked the formal start of operations by the plant built by the Argentine company Pluspetrol in association with the Bolivian Petrotec. The initial investment was of 16 million dollars and will reach an overall 64 million dollars with future production and exploration works planned in the area. The gas processed by the plant is injected in a 27-km pipeline which links up with the Ramos-Cornejo pipeline in Salta province and later the Campo Duran-San Lorenzo pipeline.

Paper Reports Details of 3 Dec Coup Trial

PY1604011291 Buenos Aires BUENOS AIRES HERALD in English 16 Apr 91 pp 1, 20

[Excerpts] The trial of 15 Army officers accused of attempting to topple the government of President Carlos Menem opened yesterday at the Federal Appeals Court. [passage omitted]

Following the appeals trial for the current 15 defendants, another 17 officers, also charged with rebellion, are to be brought before the same court.

They, in turn, will be followed by appellate trials for 300 noncommissioned officers accused of supporting the revolt.

Federal Prosecutor Luis Moreno Ocampo charged the 15 defendants with seeking to overthrow the government, saying they'd been laying the groundwork for their coup d'etat for two years, and charged them with the crimes of rebellion, homicide, armed assault and kidnapping.

"Their objective was to gain control of the Republic and they did not hesitate before shooting civilians to carry out an irrational plan, they deserve the severest of penalties," Moreno Ocampo said during his one-hour presentation of the prosecution's case yesterday.

Moreno Ocampo also charged that Colonel Angel Leon and Major Horacio Linari (both absolved by the Supreme Council) were accomplices in the rebellion, and asked that major Pedro Mercado, responsible for the grizzly murder of conscript Mario Gomez in Entre Rios, be stripped of his rank. [passage omitted]

The opening of the first day of hearings was delayed 50 minutes when the defence asked that the sentences imposed by the Supreme Council of the Armed Forces in the case be declared null and void. These sentences range from between life and 12 years for their responsibility in crimes like homicide, robbery and kidnapping committed during the uprising.

The Court of Appeals threw out the request. [passage omitted]

Hearings are expected to last for months and include testimony from hundreds of persons including President Menem and ex-President Raul Alfonsin. But Menem quickly quenched any hopes he may turn up personally for the hearings, saying he would testify in writing, and not attend the oral proceedings.

The trial represents the first time that Army officers have had to appear in public before a civilian court to face charges of rebellion since Argentina returned to democracy in 1983. [passage omitted]

Officers charged include Colonels Mohamed Ali Seineldin, Oscar Vega and Luis Enrique Baraldini; Lieutenant Colonels David Leon, Antonio Arnaldo Perez Cometto, and Osvaldo Tevere; Majors Hugo Reinaldo Abete, Ruben Enrique Fernandez, Pedro Edgardo Mercado, Horacio Linari, Jorge Pedro Mones Ruiz, Esteban Horacio Rafael, Hector Adrian Romero Mundands and Osvaldo Diego Zacarias and Captain Gustavo Luis Breide.

The chief defendant at the trial, former Colonel Mohamed Ali Seineldin, was among the 13 defendants who were physically present during the opening hearing. "I come with the hope that this honorable court finds a solution to the problems of the armed forces and police security," Seineldin told reporters during a break in the hearing.

"I do not seek personal benefit." Ali Seineldin is appealing a life jail term ordered by a military court.

Defense attorney Carlos Tabarez argued yesterday that the rebellion was justified because of government neglect of the armed forces, which he said "lacked plans for operations, mobilization and (defence) industry."

Bolivia

President Paz Zamora on Economic Policies, Drugs

AU1704085291 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 11 Apr 91 p 9

[Walter Haubrich report: "Bolivia Need Not Fear Comparison With the Developed World"]

[Text] La Paz—The so far surprisingly stable Bolivian coalition government under Jaime Paz Zamora currently has to solve several domestic policy problems. The employment of the Armed Forces and U.S. military advisers in the struggle against drug trafficking is violently criticized by the opposition parties. The miners reacted with a strike to a law that made foreign investments in mining easier. Interior Minister Copabianco, one of the most important politicians from the president's party, had to resign because the Americans accused him of having failed to prosecute the drug dealers vigorously enough. The impression that their government is acting under pressure from Washington still arouses the Bolivian people's indignation and causes nationalist protests.

Nevertheless Paz Zamora, a pragmatic politician from the left of center, shows himself unperturbed and confident. "Compared with many years before, Bolivia is currently in a very good situation," he said in an interview for this newspaper. "For five years our country's economy has been extraordinarily stable—not only in comparison with other Latin American states. With its stability, it can also compare with countries of the developed world." Paz Zamora thinks that it is remarkable that in a speech the U.S. President mentioned three countries—Mexico, Chile, and Bolivia—as models of successful economic policies in Latin America—Bolivia of all countries, which was regarded as the poorest South American country until recently and was formerly mentioned as an example of political disorder, military coups, and economic chaos.

In contrast to many other Latin American presidents, the Bolivian head of state did not show any pessimism about the future of his continent. The fear that Latin America might be forgotten by Western Europe and the United States after the change in central and Eastern Europe and the Gulf war may have been understandable at first, but Latin America certainly need not panic. "Apart from some exceptions, Latin America today offers better conditions for capital investments than the former European communist countries. Despite Western Europe's closeness to its eastern neighbors, the transnational companies make their decisions according to principles of market economy." The political road of some Eastern European countries is still uncertain, while most of the South and Central American states have clearly defined their political line, some of them also their economic policy line. Moreover, the Eastern and Central European countries might become a profitable market for Latin American products, he said. They form a market that probably will or must prefer the cheaper, though not so perfect goods from Latin America to the more expensive ones from Western Europe, Japan, and the United States: Shoes from Chile or Bolivia certainly do not measure up to the quality of Italian shoes, but they are cheaper than the latter and certainly better than the shoes produced in the Soviet Union."

The Latin American governments must be aware of one thing, however: More than ever, the United States is politically and economically the leading power on the American continent. The Latin American countries have come to the pragmatic conclusion that priority is to be given to relations with Washington. However, this does not mean submission to the national interests of the United States, he said.

The United States is interested in Bolivia because—after Peru—this country is the second largest producer of the coca plant, from which cocaine is obtained. The Bolivian Government's preparedness to admit U.S. military advisers into the country to fight the drug peddlers is certainly also to be regarded as a gesture from Bolivia to improve its relations with Washington. A psychological effect on the Bolivians involved in drug trafficking and the Peruvians and Colombians who wanted to develop a drug Mafia in Bolivia is also expected to result from the employment of two infantry battalions and a unit of military engineers: "In Bolivia drug trafficking has not yet been so criminalized as in Colombia or Peru. There is no struggle between individual Mafia groups, so far hardly any people have been killed by the drug peddlers. But large parts of Bolivia are still little developed and can hardly be controlled by the police. The army units are not supposed to directly intervene in the repression of drug trafficking, but they will monitor large parts of the country, intimidate drug dealers, and make their activities more difficult for them." Even Paz Zamora does not expect great, speedy successes in the struggle against the traffickers. New jobs must be created for the coca farmers—many of them are former miners who lost their jobs when the unprofitable tin mines were closed down some years ago. Bolivia cannot starve tens of thousands of people to death to protect the citizens of the developed countries from cocaine. Therefore, "development instead of coca" is the slogan, he said.

President Paz Zamora gives this newspaper a good deal of his time in discussing, in his residence, the numerous problems of his country. One of the most difficult problems is certainly corruption. The day before, the leader of the biggest opposition party said—apparently with slight regret: "If our party forms the next government, it will be forced to be respectable and honest; for the present government has completely robbed the state." Paz Zamora is surprised that the leader of the populist Nationalist Revolutionary Movement [MNR],

the very party which governed for decades by means of corruption and clientele relations, should accuse his government of special corruption: "The foundations for structural corruption in Bolivia were created by the governments of this party; by the way, in Bolivia corruption not only exists in the state administration, but also through the whole society, including the judiciary and the police. Drug dealers offer $10,000 for their release to policemen who only earn $100 per month. In contrast to former governments, there are no sound accusations of corruption against members of my government. Corruption has decreased under our government—which does not mean that it no longer exists—and it continues to be a danger for our state." Indeed, friends and relatives of some government members are strongly suspected of corruption. The fact that today people talk more about corruption is positive for Paz Zamora: "In a democracy, for which our party struggled and made many sacrifices, one can and is supposed to talk about corruption and denounce it. Nobody dared to do this under the dictatorial regimes of our country." Alone in Latin American countries, the Bolivian Parliament under his government has passed a law that places all revenues and expenses of the state administration and the state companies under the control of an independent audit office, he said.

Paz Zamora believes that in its first 20 months his government reached an important objective with the lowest Latin American inflation rate and a stable currency; it demonstrated economic stability toward foreign countries and international financial institutions. Moreover, since 1925 no cabinet has governed for as long a time without major reshuffles as the one headed by him, even though it consists of members of two parties that have different ideologies and were formerly enemies. In the cabinet reshuffle planned for the next few months he will perhaps appoint some ministers who are to adjust the economic policy increasingly toward the main target of the second half of his term in office—that is, economic growth, he said.

Within Latin America, Paz Zamora sees especially good opportunities for intensive economic cooperation and increasing trade with its neighboring country, Chile. Although Bolivia does not maintain diplomatic relations with Chile because of the issue of access to the sea on Chilean territory, which Bolivia desires, his relations with the Chilean Government are very good: "After all, like my party, the present Chilean government parties struggled for the return of democracy for many years." The Bolivians' demand for access to the Pacific (they ceded their coastal province to Chile after a war more than 100 years ago) could be met for pragmatic-economic reasons in the future, he said.

Investigation of Officer's Death Continues

PY1604151691 La Paz Television Boliviana Network in Spanish 0200 GMT 16 Apr 91

[Excerpts] The police have completely clarified the circumstances surrounding the death of Alberto Ravasa Macagua, chief of the Special Antinarcotics Force in Oruro. [passage omitted]

The investigation on this case continues. According to government sources this case proves that drug traffickers are penetrating the antinarcotics organizations. Gonzalo Torrico, under secretary of social defense, has announced a reorganization program within the Special Antinarcotics Force.

[Begin Torrico recording] The reorganization of the force throughout the country will begin tonight. General Elias Gutierrez, commander of the Special Antinarcotics Force, will implement the government orders and make this special force more effective in the struggle against drug trafficking. I would also like to mention that it is necessary to reach bilateral and multilateral agreements that will allow us to more effectively control the supply of precursor chemicals from their point of origin because illegal drugs would not exist without precursors. This is why we have to carry out intensive control measures. The measures will be coordinated with other national organizations like the National Customs House, Aadaa [Autonomous Association of Customs Warehouses], and other related organizations. [end recording]

Gen. Gutierrez gave further details on Ravasa's suicide and the entry of precursors into Bolivia.

[Begin Gutierrez recording] The Ravasa suicide case proves what I have been saying, that the drug traffickers have penetrated all (police) sectors. With their large amounts of money they are corrupting us, they are hurting us. It is regrettable that the life of a young man, who could have had a better future, ended up like this. We have to thank the National Customs House officials because they alerted us by confiscating the truck carrying the hidden precursors. We are telling the truth because it is better to tell the truth and I believe that this is what you people are expecting.

The truck was being escorted by a vehicle carrying two men of the antinarcotics force which was operating in the Oruro region. The National Customs House was alerted about the truck carrying the precursors and took the necessary measures. They checked the truck and asked where it was going. The men escorting the truck said that they had instructions from Colonel Ravasa to escort the truck. The National Customs House officials then went to Oruro to talk with Col. Ravasa. In Oruro, Ravasa became very nervous during the conversation. During further discussions, Ravasa and the National Customs House officials could not agree and so the officials asked that the truck be escorted to La Paz to be handed over to the Special Antinarcotics Force.

We want to coordinate our activities with the National Customs House and the Police, and if necessary cooperate with the Army to put an end to the scourge of drug trafficking and the means used by drug traffickers. [end recording]

Brazil

Foreign Debt Negotiator Interviewed on Debt

PY1604155291 Rio de Janeiro O GLOBO in Portuguese 14 Apr 91 p 57

[Interview with Jorio Dauster, special ambassador for foreign debt negotiations, by O GLOBO reporters Beatriz Abreu and Regina Alvarez in Brasilia—date not given]

[O GLOBO] Are the banks willing to reduce the outstanding debt?

[Dauster] They have already accepted the idea, which will be discussed during the second stage of the negotiations. But they will not reduce the overdue interest. They believe that this would benefit the debtors and create a precedent for other debtors to suspend payments. If we do not understand this point of view, we cannot expect them to understand our point of view.

[O GLOBO] Do you think the government will find it difficult to get the Senate to approve the agreement?

[Dauster] I do not think so, for two reasons: First, it is the hope of the people. I hope this matter will not be treated in the Senate from a trivial political viewpoint, from an ideological viewpoint. It must be discussed in a rational manner and beyond party interests. Congressmen must not be guided by their positions for or against the government. Second, we are working within the ground rules outlined by the Senate itself, which established the guidelines for negotiations. If we show that we are within those guidelines, there will be no reason for the senators to reject the agreement.

[O GLOBO] Senator Eduardo Suplicy (PT-SP) [Workers Party—Sao Paulo state] defends the 35-percent income tax on paid interests....

[Dauster] This is a good opportunity to explain something to this senator: the tax will be paid by the people. Will he pay with one hand and receive with the other? By explaining this to him, the senator, who is very intelligent, will understand that there is no advantage for the government. It is just an accounting operation, it does not mean anything. And it almost generated problems...

[O GLOBO] But the banks must pay....

[Dauster] Jamais (a word he spoke in French). That is not so. The tax is paid by those who make transactions.

[O GLOBO] There are doubts among senators regarding the country's capacity to pay its debt.

[Dauster] The capacity to pay is a very complex idea that involves a number of calculations. It is obvious that the first figure was an element of negotiation. It would be childish to compare the negotiation with the terms initially presented. I would look an idiot if I shouted victory over the first proposal of the banks, which was to pay 100 percent cash for one third of the overdue interests of $2.7 billion. That would be a nonsense. It cannot be said that Brazil has taken a step backward and the banks have taken a step forward. It is part of the negotiation. If I were to submit the first proposal and say that everything ended there, there would have been no need for me to go there eight times. It would be sufficient to send a telex.

[O GLOBO] Is the agreement a green light for receiving resources or will Brazil merely pay?

[Dauster] It is an absolutely necessary step. Moratorium is not a solution. To accrue overdue interests indefinitely does not solve anything. What will attract domestic and foreign investment will be a streamlined Brazil with a stabilized economy. Investments will come only when this image of horror is reversed. There has been an flight of capital because productive investment was less interesting than financial speculation.

[O GLOBO] Is Brazil still receiving resources this year from organizations like the IMF?

[Dauster] The news we have is that the offer for short-term loans has increased following the agreement. Yesterday (Friday), the overseas department chief of a medium-size Brazilian bank called me to say that he was impressed by the offer of resources. This reflects a change in perception, and perception is name of the game, it is money.

[O GLOBO] Will the international organizations disburse some resources? Has not the IDB [Inter-American Development Bank], for example, conditioned the agreement to the release of $350 million?

[Dauster] The release of that money was conditioned in a spurious manner. The government has the courage to say things face to face. There was pressure from certain countries that have decision-making powers, and they put pressure on some people during IDB voting. The Brazilian Government did not hurry to close the agreement because of that. Did it try to sit down and lick its wounds? No. Through Itamaraty and the economy minister's speech—in Nagoya, Japan—Brazil said what it thinks. The negotiations continue and we will close the agreement when we consider it convenient. We have decided not to sacrifice quality for speed in negotiations. I have never received a telephone call from the minister telling me to hurry or to make concessions.

[O GLOBO] What are the next steps in the negotiation with the international financial community?

[Dauster] There is no pre-established order. It is like a live chess game. We will discuss it with the IMF and then with the Paris Club. But this general agreement on overdue interest was essential to begin the debt negotiation.

U.S. Sale of Super Computers 'Not Suspended'

PY1604114091 Brasilia Domestic Service in Portuguese 2200 GMT 15 Apr 91

[Text] The Foreign Ministry has announced that the United States has not suspended the sale of super computers to Brazil. According to reports from the United States, super computers will not be sold to Brazil because the Embraer [Brazilian Aeronautics Company] may give military aid to Iraq.

Itamaraty reported that Embraer has not reported on this matter to Foreign Minister Francisco Rezek. It also reported that an interministry committee is dealing with this subject and that Brazil firmly believes that the process, Whose conclusion is yet not foreseen, will finish positively. Itamaraty reported that the committee that is negotiating the sale of super computers to Brazil includes members of the Foreign, Aeronautics, and Economy Ministries, Embraer, and the Strategic Affairs Secretariat.

Minister to Europe To Discuss Children's Policy

PY1604170891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Apr 91

[Text] Health Minister Alceni Guerra left last weekend for Europe. He will visit Germany, France, and Italy. At President Collor's request, he will explain in Paris, Bonn, and Rome what the Brazilian Government is doing to combat violence against children and adolescents. Minister Guerra said that it is important to explain the problem clearly.

[Begin Guerra recording] To recover international credibility in Brazil and in the Brazilian people, who are charged with carnage, we must discuss the problem openly without hiding anything. We must tell the world what the real problem is, and then show what we are doing and what we—the central government, the state governments, the municipal governments, and the civilian society—intend to do. [end recording]

Next month, Minister Alceni Guerra will go to the United Kingdom and Switzerland also to discuss the situation of children in Brazil.

Thousands of Metal Workers Strike in Sao Paulo

PY1604032491 Madrid EFE in English 2046 GMT 15 Apr 91

[Text] Sao Paulo, Brazil, April 15 (EFE)—Nearly 40,000 Brazilian metal workers on Monday [15 April] stayed away from jobs at Sao Paulo's biggest factories, union leaders said. The strike action is to initially affect only the city's largest factories, such as the 11-million strong General Motors plant, the car parts giant TRW, and the Otis elevator company.

Workers decided to strike after the Federation of Sao Paulo State Industries offered to raise salaries by 90 percent. The workers are demanding increases of 216 percent. Inflation over the past 13 months under President Fernando Collor de Mello has topped 460 percent.

Union officials said some of the 400 companies in the region are interested in entering into negotiations with workers individually. Metalworkers, who number nearly 500,000 in the state of Sao Paulo, are to meet during the week to evaluate the progress of walk-outs and decide whether to stage stoppages in small and medium-sized companies.

Angra-II, III Nuclear Construction Reviewed

PY1604173491 Rio de Janeiro O GLOBO in Portuguese 14 Apr 91 p 58

[By Ramona Ordonez]

[Text] After 14 years, during which $3.6-billion have been invested, the Angra-II nuclear plant has become a gigantic nesting site for thousands of swallows in the reactor's dome, and its surrounding areas are overgrown with tall grass littered with piles of rusting iron rods. This image, which at first sight might seem one of harmony between nature and nuclear energy, is nothing but the result of carelessness and the waste of billions of dollars in a country that lacks sufficient resources. At the spot where one of the annexes to the reactor will be built, a lake has been stocked with fish (first class mullet) by birds that catch fish out at sea and release the spawn into the lake.

A few meters from Angra II can be seen a crater in the rock where $1.1 billion (275 billion cruzeiros) were sunk into what would have been the Angra III nuclear plant. The Angra-II reactor building, the heart of the plant, and the ancillary buildings stand unfinished. With the reactor's concrete dome unfinished, the exposed steel sphere is dappled with red-painted spots to protect places where corrosion has already set in. The Angra-II project construction costs $1 million (250 million cruzeiros) per day just in interest on the contracted loans—sufficient to build one CIEP [Public Education Integrated Center] or buy one downtown apartment in New York per day.

Annual expenditures, both loan interest and fixed maintenance costs, amount to $500 million (1.25 billion cruzeiros). This is enough to implement the entire Health Investment Plan of Rio de Janeiro State that is estimated in $420 million (1 billion cruzeiros) for the 1990-94 period. This plan provides for the construction of 16 new hospitals, meeting the deficit of 4,430 beds and seven maternities, repairing 14 municipal hospitals, providing 740 ambulances, and more.

Moacir Figueiredo Gitirana, chief of the construction department of Angra-II for the Furnas Electric Company, told O GLOBO that nearly 45 percent of the project has been completed, including 85 percent of the civil engineering work. The next part of the project to be tackled would be the installation of equipment, most of which is ready to be installed. Rather than the natural

optimism of a construction chief who could be commanding 3,500 workers, Gitirana shows disappointment at having no more than 520 workers performing minor tasks, mainly the maintenance of the installations.

Gitirana intends this year to begin the work of completing the reactor's 60-centimeter thick concrete dome, which is a essential to stop damage to the steel sphere that is exposed to the environment. A 15-man team inspects the steel sphere daily. The image from inside the reactor building is different from the image from the outside—fresh paint can be smelled.

This year, however, the pace of construction will be slower than last year's 0.3 percent according to Gitirana. Only $80 million have been allocated for this year against $130 million allocated last year.

Gitirana said: "A decision is urgently needed. Construction should be definitively stopped or continued. We are anxiously waiting, maintaining equipment, and going nowhere. We are spending $130 million a year for practically doing nothing." He said that the Angra-II project could be finished in six years if sufficient resources were forthcoming.

The Angra-II Construction Department chief noted that it would be ideal to complete the plant's construction, considering that so little is needed to do so. Even if the government decides to discontinue the project, a minimum cost for maintaining the installations will be incurred because "they are public property that cannot simply be abandoned."

* Zelia Lists Individuals for Circle of Support

91SM0262A Sao Paulo VEJA in Portuguese
20 Mar 91 pp 64-65

[Text] During her year on the job, Minister Zelia Cardoso de Mello has steered the nation's economy with the stability of a toboggan. There have been lots of ups and downs. While her romance with colleague Bernardo Cabral lasted, her stock was low, and her job hung by a thread. Now, having patched up the Projetao [Big Project] and won congressional approval for the provisional measures of Collor Plan II, the minister is riding high. With an eye towards staying on top, Zelia and her aides drew up a list of 18 politicians and administrators who can, as they say in politics, bolster her credibility. In plain Portuguese, the idea is to make sure she keeps her job.

Outsiders such as business or labor leaders are still not on the list, but it is useful as a guide to who influences the moods of President Fernando Collor de Mello. Unless the folks at the Economics Ministry have lost their senses, what the list charts is political clout as seen by the government's most powerful ministry. The reasoning behind the list is very simple. By staying in the good graces of those who are on it, Zeila will have a much better chance of staying out of the line of fire.

Kitchen Cabinet

The handwritten list that Zelia carries in her purse started out with 12 names in February. Last week Justice Minister Jarbas Passarinho became the most recent addition. It identifies five categories of people with one trait in common: Having them as enemies could spell disaster. Some belong to the Planalto kitchen cabinet and are in a position to praise or criticize whomever they like without even being asked. Ambassador Marcos Coimbra, general secretary of the presidential staff, and spokesman Claudio Humberto Rosa e Silva fit this category.

One person on the list is the president's brother, Leopoldo Collor. Although he holds no known public office, he cuts a very wide swath, especially when it comes to making appointments. He has never been elected to anything except, possibly, the board of some club or condominium. Others such as Pedro Paulo Leoni Ramos, secretary for strategic affairs, and Minister Jarbas Passarinho are not necessarily presidential intimates. However, they are used to making themselves heard in Planalto Palace and can get in to see Collor without an appointment.

Zelia regards Passarinho as a quick study who is slow to act, and she considers it crucial to stay on his good side. A while ago Passarinho had only to comment that the cost of his trips through the supermarket had gone way up to produce grimaces on the faces of Zelia's economists. They they tried to convince the country it was not so. Neither Antonio Rogerio Magri, minister of labor nor Ozires Silva of infrastructure have ever made remarks like that. What's more, the one they listen to most at Planalto is Passarinho.

Chief Noisemaker

A third group on the list consists of legislators who can influence the way Congress votes with half a dozen phone calls. Such are the cases of Carlos Magalhaes of Bahia, senator and ex-president Jose Sarney, and the former governor of Sao Paulo state, Orestes Quercia. In another stratum of Zelia's list are those the minister thinks it worth her while to get to know better: Mayor Luiza Erundina of Sao Paulo, Governor Leonel Brizola of Rio de Janeiro, and Mario Covas, the Tucan Indian chief at the head of the PSDB [Brazilian Social Democracy Party]. Finally, there is the group of politicians such as Ricardo Fiuza, head of the pro-administration legislative bloc. These are lawmakers who support the administration but sometimes criticize ministry decisions. There is always the chance that chats with these people might soften the scorn heaped on her loyalists.

Contacts among the chosen have already begun. Two weeks ago a friend asked Zelia: "When was the last time you had lunch with Leoni Ramos?"

The minister thought a moment and replied: "Three months ago."

She thereupon included the chief noisemaker on her list and had lunch with him ten days ago. When the Collor administration was having trouble passing the provisional measures of Collor Plan II, the minister phoned then Governor Orestes Quercia to feel out Passarinho's political contacts. "We must make sure the country remains governable," she said, then ticked off the names of PMDB [Brazilian Democratic Movement Party] legislators opposed to the administration's bills.

Some people remained off the list because the minister has little regard for their influence. However, it is strange not to find the name of businessman Paulo Cesar Farias. In addition to being Collor's campaign treasurer and personal friend, he clearly wields a good deal of power around Planalto. He probably is on the list, but his knack for being overlooked is close to becoming a standing joke. His sturdy figure has to be a fixture on the list of any members of the court wishing to keep their images polished in the eyes of President Collor.

* Eris Considers Resigning as BC President

91SM0262B Sao Paulo VEJA in Portuguese 20 Mar 91 pp 64-65

[Text] While Minister Zelia is fighting to keep her government job, the same cannot be said for the President of the Central Bank [BC], Ibrahim Eris. He has lost 17 pounds in the year since he took office. Eris is depressed and suffers from severe backaches. He has told more than one confidant he is thinking about quitting. He is unhappy about the kind of criticism he gets. The BC president is well aware of the rumors swirling about him in Brasilia and the national business press.

"When Zelia took most of the blame for administration blunders, he was held up as a hero," said an adviser to the minister who would like to shift some weight from the shoulders of his boss to Eris. Paulo Cesar Farias, the friend of President Fernando Collor de Mello who has served the administration's undercover ombudsmen, let Eris know there had been complaints about him. Two businessmen close to the president did likewise.

Several days ago Eris met with Zelia to discuss staying in office. The minister reiterated her admiration and confidence in him, and his routine at the Economics Ministry remains unchanged. He works up to 15 hours a day, lives on sandwiches, and has aged visibly over the past year. Eris is tired. Some of his worries have to do with his efforts to improve the image of the bank put in his charge. When he heard a governor had been approached by a man who said he could obtain the release of state funds from the Central Bank, Eris raised the issue with Congressman Romeu Tuma. Then he called the governor and had him come to Brasilia. Upset by the incident and its possible repercussions, he told the governor the state would get its money as a matter of national interest. However, Eris warned him not to pay anyone a cent for its release. His problem is having to combat the campaign of rumors launched against him. Rumors approach from below like a submarine. Once the torpedoes are fired, it is hard to shoot back.

* Eris on 'Big Project,' Inflation, Deindexation

91SM0256A Rio de Janeiro O GLOBO in Portuguese 17 Mar 91 p 50

[Interview with Central Bank President Ibrahim Eris by Eli Teixeira and Nelson Luiz de Oliveira, in Brasilia; date not given: "'Would to God That the Big Fund Were Not Attracting any Money'"; first six paragraphs are O GLOBO introduction]

[Text] Brasilia—Last week the president of the Central Bank, Ibrahim Eris, did not sign any documents again changing the rules governing the economy, but he caused surprise nevertheless. While bankers and financial analysts were rehearsing a chorus of criticisms aimed at the "Big Fund" [Financial Investment Funds], Eris was expressing his great satisfaction with what others considered a failure. Collections by the new Financial Investment Funds have totaled 1.8 trillion cruzeiros, compared to the 3.4 trillion cruzeiros placed in short-term investments through 1 March.

"Would to God that the Big Fund were not attracting any money. That would be the sign that things were going well for the country," said Eris in an interview with O GLOBO.

While waiting for the sandwich which, as happens frequently, would serve as his lunch, Eris remarked that if investors were choosing savings accounts and CDB's [bank certificates of deposit] over the Big Fund, that was healthy for the economy; it meant that money was being invested for a longer term and that investments were being diversified, "a sign of confidence in the economic policy."

Eris also said the economy was beginning to recover following the recession that had been affecting Brazilians during the previous nine months. Slower inflation due to the freeze and low interest rates are making an increase in business and consumption possible with no need for the government to worry about price rises, which are estimated at from 3 to 5 percent per month.

Looking ahead 60 days, Eris says he is not worried about currency controls or the willingness of investors to invest, since they are channeling their savings into the financial market itself rather than into risky areas such as the dollar market.

As far as the future is concerned, the president of the BC [Central Bank] is hoping that there will be an orderly reimbursement of the frozen new cruzados to the economy and an open debate concerning the proposals contained in the "Big Project." He is awaiting the debate on the project as being the moment when society will have to choose between continuing the current profile of public spending, with a precarious satisfaction of social

needs, and a slowing down of the machinery to permit the elimination of such problems as illiteracy and infant mortality.

[O GLOBO] Is the Big Project a sign that the government wants to resume economic growth?

[Eris] I would not say that. What the government is revealing to society through the Big Project is that the experience during the first year of its administration is part of a much larger project going beyond stabilization. It is an invitation to debate more than anything else.

[O GLOBO] But can that project be carried out with the country in a recession?

[Eris] The improvement in economic activity since the measures of 31 January were adopted is obvious. Although artificial, the truce in prices and wages has had that positive impact on the economy, further strengthening the stabilizing aspects of our policy and eliminating some of the recessive aspects. Sales are better today than they were. I have the definite feeling that the economy is undergoing a controlled recovery. We expect it to continue. It will certainly continue.

[O GLOBO] Is it not possible that the increase in sales is one effect of distrust on the part of savers, who are channeling their money into consumption?

[Eris] No. What we are observing is not a consumption bubble. It is much smaller than that. What people call a consumption bubble is an uncontrolled increase in demand that lasts a few days and does great harm to the economy. What we are observing is not an uncontrolled increase in demand but a gradual and slow increase—an improvement that is taking on more general features with every day that passes.

[O GLOBO] Is that reaction due only to the drop in inflation?

[Eris] There is almost always an increase in real income when you reduce inflation from 20 percent to 5 percent. And certainly the wage adjustment we granted helped to rebuild demand.

[O GLOBO] Won't the 38-percent increase in the volume of money in the market that occurred in February harm that incipient reaction by the economy?

[Eris] There is not an excess of currency. The issue since 31 January cannot compare to what happened after the Collor Plan. As far as public confidence in the financial system is concerned, the clearest sign that it exists is the fact that since February, there has been a net increase in passbook accounts.

[O GLOBO] But why did the monetary base increase so much in February?

[Eris] I recommend that you attend the classes by monetarist economists who have been saying that. When the interest rate is low and inflation is low, it is more appropriate to keep one's money available than to invest and reinvest it in the Big Fund every day. So that increase in demand is normal and wholesome. If I had tried to force an expansion of zero percent in the monetary base in February, all the newspapers would have been shouting by the third day that the BC had gone mad, because by then interest rates would have been 500 percent per year in real terms, or 20 percent per month. By this I do not mean that the BC does not make mistakes, but by God, we are going to be criticized for our mistakes, not because of misunderstandings.

[O GLOBO] But at the beginning of this month, there was a large monetary expansion.

[Eris] I would also like to explain the increase in the amount of money in circulation, amounting to 90 billion cruzeiros during the first five days of March, that was approved by some official in the BC. That did happen, but it happened two days after the BC had taken in 120 billion cruzeiros in paper money from the market. The outgo of 90 billion cruzeiros is normal, and so is the collection of 120 billion cruzeiros. The supply of paper money today is very high, something in the neighborhood of 1.2 trillion cruzeiros. What happens is that wages are paid, often in cash, at the beginning of the month. So paper money leaves the financial system at the start of every month, and 90 billion cruzeiros represents something like 7 percent of the supply of paper money, and that is not an astronomical figure.

[O GLOBO] Investors do not seem to have liked the replacement of overnight money with the big funds.

[Eris] A highly favorable development is being interpreted as a failure. The potential of the Big Fund—if all the money in the short-term market had gone into that new investment—was around $15 billion (3.4 trillion cruzeiros). We have taken in $8 billion (1.8 trillion cruzeiros) to date. If the Big Fund attracts less than the amount being invested in short-term instruments, that does not mean that it is a failure; what it means is that something extremely healthy for the economy is happening. It means that people are putting their trust in the economic policy and leaving their money in demand deposits or investing it in savings accounts, CDB's, or fixed-income funds. On the day when the Big Fund expires, it will be because stabilization has been achieved. The fact that money is not in the Big Fund does not mean that we are failing to attain our objectives. That money has abandoned the short-term market for medium-term investments. There is nothing wrong with that.

[O GLOBO] Has there been an increase in the attraction of medium-term money?

[Eris] By our yardsticks, yes. In the case of passbook accounts and CDB's, for example, the investor has abandoned investments maturing daily and chosen investments with at least a 30-day term. And those not choosing to invest have left their money in checking accounts. So the Big Fund has helped clean up the

market. If it did not attract any money, and funds went into demand deposits, passbook accounts, and CDB's, I would be even happier. Would to God that instead of 15 billion, the Big Fund were not attracting any money, because that would mean that the financial system had normalized by attracting money into deposits, CDB's, and bonds with various maturity dates. The Big Fund is a palliative—an anomaly and a distortion.

[O GLOBO] But isn't it the Big Fund that is going to provide money for a number of investments?

[Eris] Not at all. The country cannot depend on the 10 percent it will get from those funds for projects aimed at improving production. Even if $15 billion were collected, 10 percent would amount to only 1.5 billion. That 10 percent is a niche created for long-term priority projects that are part of the program for industrial competitiveness. It may bring about changes, but only in specific sectors. The purpose of the Big Fund is not to finance the country's development.

[O GLOBO] Some economists and banks are warning that the financial system is attracting less and less money and that this indicates society's lack of confidence in the financial system. How do you explain that?

[Eris] I never said the Big Fund would be popular with bankers. Quite the contrary: the banks are the chief victims of the big funds. It does not surprise me that representatives of the financial market are reaching the conclusion that the Big Fund is not a suitable instrument. It cannot be said that savings have fallen solely because investments in the financial system have fallen. We don't have that figure yet. But it should be remembered that Brazilian savings fell considerably throughout the 1980's. It is not something that began during this administration.

[O GLOBO] What kind of inflation do you foresee for the next few months?

[Eris] I cannot make a prediction, but it is obvious that as a result of the freeze, inflation is going to remain low. Allowing for statistical error, inflation should be around 3 to 5 percent per month. And as long as the freeze lasts, there is no reason to say that inflation will accelerate.

[O GLOBO] Six months from now, the frozen cruzados will begin entering the economy. Is the financial structure that was set up on 31 January prepared to handle that volume of funds? What is the total amount that has been frozen?

[Eris] The frozen funds total 6.3 trillion cruzeiros. That money will be returned as planned, and we will see what the consequences are.

[O GLOBO] Can the economy absorb that money without an explosion in inflation?

[Eris] That depends on many things. It depends on how society reacts. The most probable scenario is as follows: some people will no longer see any reason for distrust once they receive their first installment of cruzados. Others will have doubts about continued reimbursement. Because of that, there may even be a small rise in consumption, but I honestly believe that the bulk of the money will be channeled into existing financial investments. Many people will probably resume interrupted projects: a house, new furniture, and so on. That may even put pressure on inflation, but it all depends on circumstances. If demand remains where it is today, the reimbursement of cruzados will be healthy for the economy. It also depends on people's attitudes toward the administration: on whether people are angry at the administration, as they were on 1 February, or more tolerant, as they are today or were in July, when they thought we were all "the greatest."

[O GLOBO] Their reaction will depend a great deal on whether the rules of the game remain stable until then. Can you guarantee that we will not have any more abrupt changes from now on?

[Eris] If I say that the rules are going to stay the same, will you believe me? That is where my problem lies. I can guarantee that they will, but part of society will receive that guarantee with skepticism. So unfortunately, that kind of question and answer is of little value. But the events of the past 45 days show that the predictions made by many economists, including their predictions as to how the public would react, did not come true. The transition was peaceful. Everybody began with the idea that we would cheat on the TR [Reference Interest Rate]. A crazy idea. The events of the next 30 days will show that we have built a perfectly workable financial system. Even with lower incomes for the banks.

[O GLOBO] If society rejects the main ideas in the Big Project—examples being the firing of government employees and no more free university education—what will happen to the economic policy?

[Eris] The administration will have to work in the direction desired by society. What we are trying to make clear is that the current situation puts stabilization of the economy and payment of the social debt on a collision course with each other. Our chance of satisfying demands in the social area would be quite limited. We must make society's options clear. If the options are very clear, I believe that agreement is possible.

[O GLOBO] Can we say today that the economy has been deindexed?

[Eris] The test will come when we make prices flexible. I would say that deindexation of the financial and foreign exchange markets is a reality. For the present, the deindexation of wages is guaranteed, but we have to talk to Congress in order to find a permanent solution to that problem. Free negotiation with some guarantees for the low-income classes and some mechanisms for fixed allowances is one idea that may take hold.

[O GLOBO] It is said in the financial market that the exchange rate has been stabilized because the Central

Bank is selling massive amounts of dollars. Is the BC really selling dollars from the reserves?

[Eris] How can those people say that? They have no access to the figures. We have about $8.5 billion. I look at the registration applications from exporters every day, and everything is normal. If the exporters are continuing to work, there is no artificial exchange.

* Jan Unemployment Data Nationwide Announced

91SM0254B Brasilia CORREIO BRAZILIENSE in Portuguese 6 Mar 91 p 10

[Text] Rio de Janeiro—Yesterday, in this city, the IBGE [Brazilian Institute of Geography and Statistics] announced the rate of overt unemployment for January and the development of average income up to December. The overt unemployment rate for January (5.23 percent) was up from the figure for the preceding months (3.93 percent), and was also higher than the rate reported in January of 1990 (3.30 percent).

By sector of activity, the greatest variations in comparison to January 1990 were seen in the processing industry (from 3.99 to 6.99 percent) and in trade (from 3.74 to 6.14 percent). The highest rates for metropolitan regions were seen in Recife (6.10 percent), Sao Paulo (5.91), and Salvador (5.43), while the lowest were in Belo Horizonte (4.77), Porto Alegre (4.56), and Rio de Janeiro (4.24 percent).

There was a drop in the proportion of individuals employed in the processing industry from 24.87 percent in January of 1990 to 22.76 percent in January of 1991. In the service sector the proportion increased (from 46.27 to 48.10 percent). The trade sector (from 14.28 to 14.56 percent) and the construction sector (from 7.25 to 7.41 percent) remained stable.

Working Papers

The proportion of employees with signed working papers dropped from 59.73 percent in January of 1990 to 54.97 percent in January of 1991. On the other hand, there was an increase in the proportion of employees without signed working papers (from 17.59 to 19.90 percent), self-employed workers (from 17.45 to 19.72 percent), and employers (from 4.29 to 4.51 percent).

The average real income for persons employed in December of 1990 showed a decline from the December 1989 figure in all the metropolitan regions. The most extreme declines were seen in Salvador and Porto Alegre (35 percent).

* More Parastatals Placed on Privatization List

91SM0254C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Mar 91 p 9

[Text] Rio de Janeiro—President of the Republic Fernando Collor de Mello has decreed the inclusion in the National Privatization Program of the Acesita [Itabira Special Steel Company], the Union Petrochemical Company (PQU), and the shares held by the Petroquisa [Brazilian Petroleum Corporation Chemical Corporation] in the second-generation petrochemical enterprises located in the Sao Paulo Petrochemical Pole. By so doing, he increased the number of state enterprises being transferred to the private sector to 20, not including the Petroquisa and Petrofertil [expansion not given] shares in 15 other enterprises.

The official inclusion of these state enterprises in the privatization plan was effected by presidential decree following the recommendation made by the commission in charge of the program, over which Eduardo Modiano presides. He is also the head of the National Bank for Economic and Social Development (BNDES). The stocks representing shares indirectly held by Union and the Federal Public Administration in the enterprises included in the program are required to be deposited in the National Privatization Fund, which is administered by BNDES, no later than five days from the date of the publication of the decree.

In the coming days, BNDES will publish an announcement of the public bidding to be held for the purpose of selecting the consulting firms which will evaluate Acesita, PQU, and Petroquisa shares in the Sao Paulo Pole. All of the state enterprises included on the official privatization list will be subject to two evaluations. One will be purely economic and financial, and the other, apart from evaluation, will involve organizing the operation of selling the stocks to be privatized.

The choice of consultants, who are generally organized in consortiums, will be made in approximately one month. The contracts whereby the consultants promise to provide a definitive report on each enterprise will be signed two or three weeks later, and sale operations will be organized within 90 days. Theoretically, at that point, the enterprises in question will be ready to be auctioned.

Present Status

Acesita is the only producer of flat stainless steel and flat silicon steel in Latin America. It employees 8,000 individuals, and according to its 1989 balance sheet, its net assets were $283 million (63.7 billion cruzados). In that same year, its net income was $725 million (163.1 billion cruzados). In November of last year, it suffered losses of 23 billion cruzados, and in September its indebtedness, mainly short-term debt to the banking system, came to $350 million (78.7 billion cruzados).

PQU is the central raw-materials enterprise in the Sao Paulo Petrochemical Pole. According to its 1989 balance sheet, its net profit came to $4.9 million (1.1 billion cruzados). Its net assets were $668.4 million (150.3 billion cruzados). The PQU has about 1,300 employees. Its debt total has not been revealed.

Chile

FPMR Political Unit Says Armed Struggle Over

PY1604204491 Madrid EFE in Spanish 1938 GMT 16 Apr 91

[Text] Santiago, 16 Apr (EFE)—The so-called political branch of the Chilean armed group the Manuel Rodriguez Patriotic Front (FPMR) today announced its decision to abandon the armed struggle and join the democratic process through political struggle.

In a public declaration addressed to "the people of Chile," which EFE was able to read, the group headed by former Communist Party member Alfredo Malbrich says it wishes to contribute to the struggle "for a democratic future, with greater participation by the people, to satisfy the people's demands and with total respect for human rights." The FPMR states that President Patricio Aylwin's government "must guarantee the group's insertion" into democracy.

The group rules out any connection with recent terrorist actions, especially with the murder of rightist Senator Jaime Guzman, and it recalls that the organization flatly condemned the attack. The FPMR also labels as "false" police charges against some FPMR members living in Spain for a long time of participating in the attack on Guzman.

The FPMR message recalls that it was born in December 1983 during the military regime "as a struggle option against tyranny." In 1987, the group split from the so-called Autonomous Front, which continues to defend the armed struggle. The FPMR reiterates that it has not carried out any armed actions since 1990 because they are unjustified in a democratic regime, "which we helped elect with all its imperfections."

In its message the FPMR warns that during the current situation we will either progress in the democratic process "or we will retreat to a shameful project of military tutorship." "Terrorism, which was the preferred weapon of the coup supporters in 1973 and was Pinochet's state policy," is currently "a desperate expression" of ultrarightist and ultraleftist groups and "it only helps the reactionary dogs hinder and wear out the democratic process," the FPMR states.

In its statement, the FPMR says that it would have liked to see the government fight—with the same resolution it is fighting terrorism—for justice and against impunity, and it calls on the citizenry to organize itself and impose democracy. "The FPMR will join this struggle without weapons now, but with the same conviction and patriotism as always," the group's declaration ends.

Deputy Carlos Bombal, from the ultrarightist Independent Democratic Union (UDI), has proposed establishing a dialogue with ultraleftist armed groups "to end terrorism in Chile."

Meanwhile, acting Interior Minister Enrique Correa reported that the government will present charges against the FPMR as a group because investigations into the murder of Senator Jaime Guzman "indicate an action by the ultraleft sector."

When asked about the FPMR's proposal to join democratic life, Correa said that the only way of doing that "is by fully respecting the law as the only common point for the coexistence of all Chileans and as a guarantee of peace."

FPMR Faction Charged With Security Violations

PY1704035091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 16 Apr 91

[Osvaldo Vega relay from Valparaiso]

[Text] Enrique Correa, acting interior minister and government secretary general, this afternoon in the Chamber of Deputies signed a document in which the government officially presses charges against the Manuel Rodriguez Patriotic Front [FPMR]-Autonomous Faction for violating the Interior Security Law. The acting interior minister signed the document in a simple ceremony before the press in the Chamber of Deputies reading room.

Minister Correa said the charges against the FPMR-Autonomous Faction are based on Article 2, Book 2, of the Penal Code and other laws which state that those who rise up, through any ways or means, against the established government or promote civil war, particularly those who promote, finance, or assist in the organization of private militias or similar organizations, or are members of these groups with the purpose of ousting public power through violent means or interfering in its actions in order to rise up against government powers or attack authorities, are committing a crime against the interior security of the state. Correa added:

[Begin recording] I believe we have fulfilled our duty of safeguarding public order. We are offering full guarantees to Chilean citizens because the government does not hesitate in its determination to end the activities of terrorist groups. To achieve this goal, it hopes it can rely on the backing of all political forces and the consensus of all Chileans. [end recording]

Correa added that he signed the document at Congress for practical reasons because he was there for the entire day. But, he said, he believes Congress is the most suitable place to sign the document because of its significance within the guidelines for democratic coexistence, which offer guarantees for all citizens, and because it is an essential issue in the struggle against terrorism. He added that an agreement between government and Congress is the best way to show this coexistence.

Lawyer Luis Toro, the Interior Ministry legal adviser who traveled from Santiago with the papers, said that the charges against the FPMR will be submitted to the

Santiago appellate court, which will appoint a special judge to investigate the FPMR-Autonomous Faction, its procedures and methods, and its seditious nature.

The government has also pressed charges against the Lautaro Movement. Lawyer Toro has said that the judge appointed to this case has already ordered the arrest of several Lautaro Movement members.

Cuba Reportedly To 'Sever' Ties With Ultraleft

PY1604135691 Madrid EFE in Spanish 0011 GMT 16 Apr 91

[Excerpt] Santiago, 15 Apr (EFE)—The conservative magazine "QUE PASA" today reported that over the next few days the Cuban authorities will send to Chile an "envoy" on an unofficial mission to guarantee the government of Patricio Aylwin that the Caribbean country will sever its ties with the Chilean ultraleft.

The publication textually states that during the next few days, "an envoy of Fidel Castro will arrive on a private mission" with this goal.

The magazine adds: "In its effort to overcome its isolation, Havana even promised the Chilean Government that it intends to expel from Cuba all those who use Cuban territory to support the Chilean ultraleft."

The magazine thus touched on the measures taken to prevent terrorist actions by the ultraleft, especially following the assassination of rightist Senator Jaime Guzman on 1 April. [passage omitted]

Agent Accuses Police of Bombings Under Pinochet

PY1604224091 Madrid EFE in English 2042 GMT 15 Apr 91

[Text] Santiago, 15 Apr (EFE)—An ex-member of the disbanded secret police under former dictator Augusto Pinochet said 75 per cent of the bomb attacks blamed on extremists were the work of Chilean security forces, a Chilean newspaper reported Monday [15 April]. In statements to the daily LA EPOCA, the former National Information Center (CNI) secret police agent, identified only as Pedro, acknowledged taking part in a number of bomb attacks during his 1983-1986 tenure on the force.

Pedro said that while he was a CNI officer "security organs were responsible for 75 percent" of all bomb attacks nationwide. Pedro quit the CNI in 1986, fled the country and has only returned to Chile since democratically-elected President Patricio Aylwin took office in March 1990.

The former agent detailed specific attacks in which he took part as a member of a four-person commando. Three Air Force members, which he identified by the last names of Morales, Gonzalez and Valenzuela, were also in the group.

Pedro said the commando was responsible for two attacks, 15 minutes apart, on May 14, 1985. The first, in the Santiago district of Chonchali, claimed three lives and police later blamed the Revolutionary Left Movement (MIR), a far-left group founded in 1966 but nearly wiped out during Pinochet's 17 years in power.

But Pedro gave a different account of the bombing.

"The day of the attack we left to make rounds with the explosive in the car. Around 5:00 a.m. we planted it. It was a time bomb. We planted it to explode at 9:00 a.m.," he said.

Less than 15 minutes later, a young militant communist named Tatiana Farina was killed in the town of Pudahuel, west of the capital. Security forces said explosives she was attempting to plant accidentally went off. "They tied her up and planted the dynamite. Afterwards, the media made it known that she was installing explosives, but that's false," Pedro said.

The former agent also talked of the 1984 assassination of Victor Zabala, a populist leader in the town of La Victoria, a bastion of Pinochet opposition. "They claimed he was a MIR director, but that was wrong. I was in the car when Morales began chasing him and shot him twice. This time they said he died in a shoot-out, but Zabala was not carrying a weapon or anything else. They put a .38 calibre pistol in his hand," Pedro said.

The former secret police agent said he had proof to back up all his accusations and was prepared to present it before any court. A Chilean parliamentary commission last month released a report detailing 2,279 cases of killings carried out by security forces during the Pinochet military dictatorship. Pinochet, who has stayed on as Army chief, has rejected the accusations as distorted and unfounded.

Pehuenche Hydroelectric Plant Begins Operations

PY1704001691 Santiago Radio Nacional de Chile Network in Spanish 0000 GMT 16 Apr 91

[Text] Pehuenche, Chile's largest hydroelectric power plant, began operating today. The project required a $440 million investment and the power plant's operation will make it possible to cope with any decline in rainfall.

This information was supplied by the company's assistant general manager, Ernesto Silva, who pointed out that the average yearly production will total 2,871 billion kilowatt-hours, which makes Pehuenche the largest power plant in our country.

Endesa [National Electric Company, Inc.] owns 95 percent of Pehuenche. The rest is owned by the Tricahue Investment Society, which is made up of workers and small investors.

Five thousand people were employed during the power plant's construction. The excavations were five times as large as those of the Lo Prado tunnel.

The power plant is located in the 7th Region. It uses water from the Melado and Maule Rivers. Among the power companies, Pehuenche has now become Endesa's main affiliate company.

Colombia

Episcopal Conference Communique on Mediation

PA1604132891 Bogota EL TIEMPO in Spanish 12 Apr 91 pp 1A, 6A

["Text" of the communique issued by the Episcopal Conference of Colombia on 11 April]

[Text] 1. From the moment that the national government and the Simon Bolivar Guerrilla Coordinating Board [CNG] accepted the church's mediation, which was requested by the National Constituent Assembly on 7 March, the commission appointed by the Episcopal Conference of Colombia began talks with the two parties. The talks were conducted on an almost daily basis while the mediation lasted. The dialogue process was never interrupted.

2. At first it was necessary to overcome problems resulting from the rupture of the dialogue between the government and the CNG. Fortunately, the government provided us with our own means of communication and the CNG agreed to hold a direct dialogue with us.

3. The assessment of the sites and necessary guarantees for the dialogue was started later.

Unfortunately, the CNG's demands were unacceptable to the government, and the CNG did not trust the sites and guarantees offered by the government.

4. At this point, we believe it is appropriate to explain the situation to the country and to end the mediation role that had been requested of us. We deplore the new national frustration, but we believe all is not lost.

Consequently, we have proposed that the CNG return to a direct dialogue with the government by radio and telephone communications or written communiques, or with the mediation of other organizations or friendly governments.

5. Although our participation has concluded, we believe that the efforts exerted in the search for peace in Colombia have not been in vain.

We thank the country and the National Constituent Assembly for their trust in the church. We recognize the efforts and constancy with which the government and the CNG talked with us, many times and for long hours.

6. The government, the CNG, and we agree that only one phase of the peace process has ended: the mediation.

The search for peace is everyone's immediate duty. Likewise, the church will continue to search for ways to reach a conciliation, faithful to the Gospel's mandates, and we shall use all our resources to achieve this.

* Leyva Advises FARC on Peace Talks Strategy

91SM0220B Bogota EL TIEMPO in Spanish 21 Feb 91 p 14-a

[Article by Miller Rubio Orjuela on government-supplied recording of radio conversation between constituent assembly member Alvaro Leyva and FARC leader Alfonso Cano]

[Text] High-ranking military officials believe that Constituent Assembly member Alvaro Leyva Duran has become an ideological guardian of the Revolutionary Armed Forces of Colombia (FARC), a kind of political super arm of that organization.

In contrast, the Social Conservative Party politician, who was elected to the assembly on the M-19 [19 April Movement] ticket, feels that he is just a worker for peace. According to him, he has devoted all of his energy to this cause for the last six years.

The controversy remains alive. EL TIEMPO is publishing the transcript of a recording, supplied by a source at a state security organization, of a dialogue between Leyva and Alfonso Cano, a FARC strongman, last 12 February.

Leyva Duran declined to comment on his conversation with Alfonso Cano. He said that he did not have access to this newspaper's sources of information, and offered to supply other recordings, on the condition that they be published.

[Leyva] Let's see, then, what has happened? How did they take it?

[Cano] Good evening; fine, fine. We have talked here a little, not much, because there has been a "little job" [camellito]. I talked to the people from the east, we made an appointment, and they're going to leave. They are not exactly happy, either, shall we say.

[Leyva] I think that is a political solution that requires another political solution. In principle, Montana told me that they accepted La Uribe, but not the place. It is like analyzing in parts: not the Viejitos site, and so on.

It occurs to me that one response, speaking of the municipal seat of government, may seem strange to you, but it seems to me that if that issue is dealt with and they are going to give guarantees, choosing a municipal seat of government where we know there is a company, well that is like giving an answer with some political leeway. I do not know if you have been reading me so far, over.

[Cano] Yes, I read you, I read you, over.

[Leyva] But saying there are no conditions on the municipal seat of government and reserving the right to name the people who are going to speak, period, to see what

they say. Because if there is a positive response, among other things, no one understands what the war tax is for, over.

[Cano] Yeah, sure. No, the war tax is because what the president did was a declaration of war. Well, but we shall see, and that rotten deal they stuck us with has our friend Diego's senile fingerprints all over it, over.

[Leyva] The business of the unilateral?

[Cano] The business of after the commission is appointed, something has to be done as a gesture, over.

[Leyva] Oh, yeah! The thing is, that has gotten blown out of proportion now. That comes; the news comes when we are in the middle of studying whether or not a commission should be appointed in the Constituent Assembly.

Pastrana wanted a commission of the Constituent Assembly, but one that was exploratory, and of course nobody agreed to that. We were going to put together a joint response, a conciliatory one, because what we were interested in was a direct dialogue, leaving the Constituent Assembly as a separate forum. Then, when the news came from the government, well, the rug was pulled out from under this whole debate that has been developing, but....

[Cano] Yeah, right, right, yeah, yeah, but the fact, the fact is that this game was obvious a long time ago, when they even started asking you about this issue on the radio, do you remember? Over.

[Leyva] Sure, but I have always said that, and that has been understood by everyone, because the argument about the presentation is different after December, from the 9th to before the 9th, right? And everyone understands that.

[Cano] Yeah, yeah, right, right, except Cesar Gaviria. But anyway, I think your idea that a political solution requires a political response too is important. We will get to work, then, on a response.

[Leyva] So, if they cannot withdraw the troops from places like El Rincon de los Viejitos and Cabuyas, and all that. Fine, then that means that since the government wants wherever there is sovereignty, well, it will go to the municipal seat of government to see if they are capable of guaranteeing and managing what you know....

With the understanding that since it has been proposed, there is where we can take up the matter of the previous commission again, saying that there will be no unconditional items on the agenda, no prohibited items in the municipal seat of government, and on the basis that, at the time, when the government accepts it, then the people who will go will be named.

One thing along those lines, because naturally the government will have to start out saying no, but it will eventually have to say yes. But if it says yes, the first thing it has to do is guarantee, guarantee the management of the troops who are there in the municipal seat of government.

Some of us would go and accompany a few delegates, possibly. I do not know who it would be, but I would look for a political solution, because in my view this is a political response to the dead end that the government had reached.

That was what I wanted to tell you. I was talking it over with Juan Gabriel and other friends, because it seems to me that it is a good idea to answer, and to answer at this time, with political agility, to take up the initiatives in the Constituent Assembly again, over.

[Cano] Well, okay, that seems reasonable to me, all that seems reasonable to me, and it can be explained, because in fact without giving the country facultations (sic) on the situation, the government went ahead with the deal and now it has to give in....

* Cost of Guerrilla Attacks to Economy Assessed

91SM0250D Bogota EL TIEMPO in Spanish
27 Feb 91 p 6-A

[Text] Losses suffered by the productive sector as a result of terrorist attacks on the national economy amount to 220 billion pesos. Of that total, 37 billion correspond to industry and commerce on the Atlantic Coast.

These figures are derived from a study completed by officials on the government's economic team, who have taken it upon themselves to evaluate the impact of damage to vital sectors such as the oil, transportation, electricity, and telecommunications sectors.

According to the study, attacks on facilities involved in the production of crude oil, refined products, and natural gas show losses in the hydrocarbon sector totaling 40 billion pesos.

The study was drafted by a Ministry of Development team headed by Arnaldo Meneses from the Domestic Trade Directorate and Jose Antonio Ocampo, adviser to the Foreign Trade Board of Directors.

Losses in the oil sector do not include revenue not collected for the 50,000 barrels of oil that could not be shipped to the international market as a result of paralysis of the Cano Limon-Covenas oil pipeline.

Based on the average foreign price for January and February, such losses amount to 36 billion pesos.

The cost of repairing the oil pipeline is 350 million pesos and the cost of cleaning up areas polluted by crude oil spills an estimated 800 million.

Terrorist attacks on ECOPETROL [Colombian Petroleum Enterprise] facilities, in addition to the pipeline, amounted to 22 [as published] and the cost of reparation 2 billion pesos.

The balance reflects losses accumulated from 1 January to 15 February of this year, during which period the National Guerrilla Coordinating Group intensified its terrorist action against the economic infrastructure.

During that same period, 70 buses costing 30 million each were burned, worth a total of 2.1 billion pesos.

The document indicates that between 1 January and 6 February 1991 alone, some 81 semitractors and trailers worth a total of 8 billion pesos were hit.

Most attacks occurred on the Bucaramanga-Atlantic Coast, El Copey, Pelayo, Sana Alberto, Fundacion-El Playon, Barrancabermeja-Bucaramanga, Piendamo-El Patia, Cali-Buenaventura, and Bogota-Villavicencio highways.

Based on the working committee's estimates, the country, Arauca intendancy, and oil municipalities lost royalties totaling 5 billion pesos.

Losses and damage done to the national highway system due to the destruction of bridges and major highways in different parts of the country amount to 1.1 billion pesos and the cost of repairs another 305 million.

The wave of violence has also affected fishing companies. In early February, guerrillas attacked and burned four fishing boats belonging to American Solman Sea Ford [as published], affiliated with the Food and Fishing Company and Vikings. Each vessel of this type is worth $3.5 million, making a total cost of $2.1 billion.

In the electrical sector, the balance is nine towers destroyed and a repair cost of 900 million pesos.

What is most serious is that the situation has resulted in energy rationing nearly throughout the country, but particularly along the Atlantic Coast, where the greatest economic impact was suffered by industry and trade.

Damage to the Jaguas power plant (Antioquia) is an estimated 3 billion pesos.

There is no exact figure on damage done to Nare Cement and Caribbean Coal, but their halt in operations affects 3,500 workers.

The document indicates that because of the negative effect of attacks on the economy, more measures must be taken in addition to one recently offered to haulers in the form of a credit coupon worth 2.5 billion pesos, to be granted through the IFI [Industrial Development Institute] and the People's Financing Corporation (CFP).

According to the proposal, it is essential to study the possibility of paying for 100 percent of the value of the vehicle affected when the hauler demonstrates that damage to his property was equal to or greater than 60 percent of its worth.

It is also necessary, the analysis states, for the Monetary Board to establish a rediscount credit line of between 2.5 and 5 billion pesos to repair and reinstall equipment for companies hit by attacks.

This is a measure similar to one taken to help those hurt by drug terrorism last year. There may also be customs measures and more flexible import procedures.

In high-risk zones, the Ministry of Communications should facilitate authorization of the purchase of communications equipment and the awarding of franchises in order to enable companies to develop their activity.

* ANDAL Urges CA To Pardon Narcoterrorists

91SM0250A Bogota EL ESPECTADOR in Spanish 17 Mar 91 p 7A

[Text] A proposal to pardon the authors of massacres, cases of genocide, and assassinations of prominent persons, drafted by the defense attorney of Gonzalo Rodriguez Gacha and other drug traffickers, is being studied by members of the National Constituent Assembly [CA].

A booklet written by attorney Gustavo Salazar Pineda on behalf of the National Association of Litigating Lawyers (ANDAL) was delivered to several members of the Assembly, along with a letter from Severo Escobar Ortega, the first Colombian extradited to the United States, in which he asks that the constitution include an article that would read as follows: "The extradition of nationals will not be allowed."

The attorney's analysis fails to include UN protocols defining mass killings and genocide as "lese mankind" (and therefore imprescriptible) and classifying postal and air terrorism (exemplified by the bombing of Avianca HK-1803, which killed 107) as terrorist methods "of lesser importance."

On behalf of those extradited, Escobar Ortega asks in his letter to Constituent Assembly members that, "early on in their schedule of sessions, they pass a proposal recommending that the government and the United States sign a Prisoner Transfer Treaty" by virtue of which they could abide by the favorable decrees of the current government.

Salazar Pineda, who says he acts as spokesman for the union of "many" independent litigating lawyers and all ANDAL members (he heads the organization), goes beyond the proposals of the extradited Escobar and asks the Constituent Assembly and government to abolish the entire law enforcement jurisdiction, pardon drug terrorists, do away with extradition, and set up a special court for drug traffickers that would try them under the supervision of an international organization.

The study contains press clippings, transcriptions of "modern" legal concepts, the attorney's personal views on drug trafficking, political crimes, and terrorism, and an "open letter" from Salazar Pineda to the former president, asking him to waive the antiterrorist statute.

From Bolivar to "the Mexican"

The pamphlet begins its analysis with definitions of terrorism and its manifestations: political, the purpose of which is to change an ideological system or regain territory; common "garden-variety" terrorism, executed for "individualistic, selfish, petty interests that pay no heed to improving the condition of the nation's needier classes"; government terrorism, including government actions against the mafia after the murder of Luis Carlos Galan; and economic terrorism, hijackings, and other forms "of less importance," such as blowing up airplanes.

It goes on to define drug trafficking as an "economic-social phenomenon" and lists as one of its characteristics the very feature which, "with undeniable accuracy, was mentioned by the anonymous author of 'A Drug Trafficker Confesses,'" a book which authorities attribute to "The Poet," Pablo Escobar's chronicler: "In Colombia, hatred for drug traffickers is more of a racial and social than it is a moral and criminal problem, because it would be different if the drug traffickers had always been rich...."

Salazar Pineda defines the extradition and expropriation of drug traffickers as "government crimes" and claims that for that reason and that reason alone did they express their determination to respond. "The government crushed the drug traffickers, and one has the legitimate right to defend oneself against such oppression," the attorney states. "On 18 August, the chief of state, and apparently his Cabinet as well, declared war on the group of extraditables."

From this he concludes that the selective murders of members of the Patriotic Union, in 1987, peasant communes, in 1988, and indiscriminate victims, in 1989 were "a legitimate collective defense (rather than an attack) waged by a self-proclaimed group of 'extraditables'."

For these and other reasons adduced by the author, drug traffickers should consider themselves as political criminals and, to give his argument substance, the attorney suggests that "the ideal model for Rodriguez Gacha was Simon Bolivar, the most famous political criminal in the Americas."

Quasi Political Crime

"It is impossible to conceal the fact that, in the beginning, the drug traffickers were motivated solely by the search for gain, meaning a personal desire for profit." Salazar begins his analysis of the scourge by viewing it as a political crime.

He states that in the face of government attacks at the time of the 1988 massacres and 1989 assassinations, drug terrorism emerged as a response which, "in addition to being legitimized by existing standards of criminal law, constitutes a new type of political crime."

"All the bombings and other types of attacks, including killings, kidnappings, injuries, hijackings, and so on, have generally been called narcoterrorism and are only that semantically, not in strict legal terms, because the purpose was not to create confusion and alarm among the population, but at destabilizing the system," the attorney says.

The president of ANDAL, who repeats throughout the pamphlet that his positions are those of the trade union organization and independent colleagues, concludes that drug traffickers deserve pardon and encourages the Constituent Assembly to abolish extradition and the jurisdiction of law enforcement and bring about a legal reform that could be used to put an end to all the "excesses" committed against his wealthiest clients.

Proposals

Although specific sectors of liberals, conservatives, and the National Salvation Movement, as well as most members of the Democratic Alliance M-19, initially declared they favored abolition of extradition, only three Assembly delegates presented such proposals. Others have made their discussion of the issue conditional upon the release of newsmen, and both the government and liberal groups propose that inasmuch as the issue has been dealt with in international treaties, it should not be discussed in the constitution.

In their proposal and in Article 15 of the constitution on the principles of criminal law, the Constituent Assembly members from Medellin, Juan Gomez Martinez and Hernando Londono, include in their proposal a paragraph banning "imposition of the death penalty, life imprisonment, and confiscation; the extradition of nationals, the imposition of cruel, degrading, or inhuman treatment; and penal sanctions for civil obligations.

Julio Salgado Vasquez, from the Liberal coastal group of Jose Name Teran, proposes the following: "The extradition of Colombians or of political-social criminals will not be granted." He adds another article in which he goes beyond the demands of the extradited Severo Escobar and includes in the letter an article forcing the government to negotiate diplomatically the repatriation of extradited Colombians (the extradited prisoner had asked only that such action be recommended).

Paraguay

Ashwell Appointed to IDB; Minister May Resign

PY1604233891 Asuncion ULTIMA HORA in Spanish 16 Apr 91 p 12

[Text] Confirming reports that have been circulating for quite some time, today Washington Ashwell announced that he will be leaving his post as executive secretary of the Technical Planning Secretariat of the National Economic Team.

Effective 1 July, Ashwell will be the Paraguayan Government's representative at the Inter-American Development Bank [IDB].

Ashwell made the announcement after meeting with President Rodriguez. He said: "The president has called me to formally offer me the post of director for the Paraguayan Government at the IDB and I have accepted his offer. He also asked me to continue to serve at the Technical Planning Secretariat until he appoints my replacement."

"I have been appointed to serve as IDB executive director representing Paraguay, Uruguay, and Bolivia and I will be serving in this post beginning on 1 July," Ashwell added.

It has been learned from official sources that Industry and Commerce Minister Antonio Zuccolillo will also resign his post and that Mario Romanach, an engineer, will be appointed president of Paraguayan Petroleum, Inc.

Rodriguez Views 14 Apr Colorado Party Elections

PY1604163291 Asuncion NOTICIAS in Spanish 16 Apr 91 p 8

[Text] Expressing his opinion on the Colorado Party's 14 April internal elections, President Andres Rodriguez stated on 15 April that the verdict of the ballot boxes must be respected. He also lamented the incidents that occurred in some areas of the country. The chief of state stressed that he figures on the electoral roles, having quoted the number under which he is registered.

When leaving Government House on 15 April, Rodriguez assured the journalists that he should be on the Colorado Party electoral roles that were used for the 14 April internal mayoral elections.

He was asked about the real situation considering that some sectors had indicated that he did not figure on the electoral role, and he immediately answered: "Do you believe that... well, well. I know by memory the number under which I am registered and it is 000101. That is the number under which I am registered.

Regarding the elections, the president highlighted the freedom of the voters; there was coercion or pressure, therefore, he said, the elections can be considered a success.

Regarding the results in Asuncion, where Juan Manuel Morales won and Juan Ernesto Villamayor lost, Rodriguez stressed that he has always said that the result of the ballot boxes must be respected.

"It is precisely there that the people are exercising their power to participate in a democratic system," he added.

He indicated that he had been given to understand that the OAS observers had overseen the elections, or at least in some areas of the country, stressing the fact that it seemed that they are happy to a certain extent.

Rodriguez mentioned the "small incidents" that occurred in some municipalities, saying that he believes they will be resolved in the best possible way.

Asked what could have been done to prevent them, the chief of state said that he did not know whether they could have been prevented, moreover, he suggested that the members of the party leadership should have visited the places where the incidents occurred and recommended pacification so that emotions could have been channeled in a civic manner.

Finally, he indicated that the Colorado Party has played a leading role in his government since he came to power in February 1989, because that party won those elections.

Correction to Morales Wins Colorado Primaries

PY1604182291

The following correction pertains to the item headlined "Morales Wins Colorado Party Mayoral Primaries," published in the 16 April Latin America DAILY REPORT, page 19:

Fourth paragraph, first first sentence, make read: ...Colorado Party elections, in which the candidates for mayor, town counselor, and the convention delegates who will debate the reform of the party statutes were elected, were characterized by... (rewording for clarity)

Peru

Fujimori Holds News Conference

PY1604024491 Lima RTP Television Network in Spanish 2236 GMT 15 Apr 91

[News conference by President Alberto Fujimori with unidentified reporters at Government House in Lima —live]

[Text] [Fujimori] You know that I have been out of the country for 10 days due to the trip I made to Japan and the PRC. I considered, and continue to consider, as very important my participation in the 22d IDB [Inter-American Development Bank] Governors meeting because it is a highly important forum in the international financial world, above all because it was held in Japan.

I went as head of state, invited in an exceptional manner. You are well aware that the speech I delivered in Nagoya [Japan] was well-received by the international financial community gathered there, as well as by U.S. and Japanese Government representatives.

I believe we took the right step in a complex issue. The reinsertion process—we must not forget that this is a process—is progressing well. The presence of the Peruvian president at the Inter-American Development Bank [IDB] governors meeting in Nagoya allowed us to show the international financial community that we are

serious about our decisions and about our urgent need to receive effective international aid.

This is why I could not pass over this extraordinary occasion. There were also highly positive contacts with Japanese Government representatives, the finance minister, and Prime Minister Kaifu.

After my meetings in Nagoya, I traveled to the PRC, where I was welcomed as a head of state on an official visit. My visit to the PRC sought to strengthen bilateral ties with the ulterior motive of strengthening Peruvian exports. All developed countries are striving to do the same and some have already been quite successful at it.

This is a summary of something of which you are already well aware. I am now open to questions or any concerns you may have that may add to the reports issued by the international news agencies.

[Reporter] [Question indistinct]?

[Fujimori] Yes, we have talked about specific figures. We held an extensive discussion during an informal meeting with representatives from the most important developed countries and international financial institutions. It was a meeting summoned by the Japanese representative, which was also attended by Deputy Finance Minister (Utzumi); U.S. Treasury Undersecretary David Mulford, and [IDB President] Mr. Enrique Iglesias, as well as by all representatives of the most important countries.

During this meeting we discussed the urgent need to have access to what Peru has requested to normalize its position within the international financial community. Within IMF and World Bank procedures, Peru has requested a total of $1.3 billion. This has been divided into two stages: The first stage is for 1990 and totals $500 million—I am speaking in round figures; the second stage for 1991 and totals $800 million.

With this sum of $1.3 billion, Peru will normalize its situation with international organizations and we will be ready to undertake negotiations with the Paris Club. These are specific figures.

During this informal meeting, a great deal of support was expressed by the IMF, the World Bank, and the IDB. Several representatives—those of Mexico, France, and Spain—also expressed their support for the Peruvian position. They particularly praised the current economic policy in force in Peru.

[Reporter] [Question indistinct]?

[Fujimori] Yes.

[Reporter] Mr. President, it was reported here that the support group will be established by the end of April. Could you confirm this, Mr. President?

[Fujimori] We must still discuss a few details before establishing the support group. In principle, this group will be headed by the United States. The U.S. representatives.... [Fujimori changes thought] In this meeting, there was a consensus for Japan to be an active participant, particularly by providing important financial support. I believe this is an international trend encompassing the United States, Japan, and the other countries, all of which have expressed their willingness.

I would rather not mention any dates because deadlines, figures, and dates were mentioned on previous occasions but none of them were fulfilled. It is necessary to be a little patient. But, at the meeting in Nagoya, we were able to witness that there is a highly positive trend toward Peru.

[Reporter] [Question indistinct]?

[Fujimori] I must remind you that the antidrug agreement was proposed by the Peruvian Government to the U.S. Government, and not the other way around. There are no prerequisites in this negotiation, except for implementation of a serious economic policy, similar to the one the Peruvian Government is currently implementing.

[Reporter] In a country experiencing a serious recession, the people expect you to make specific announcements and decisions. Your trip to the PRC has been criticized; it was described as a tourist trip. Would you be so kind as to explain to the country what the specific achievements of these two trips were?

[Fujimori] As a journalist, you must think in terms of politics—a president does not return from a trip with his hands full of dollars. One must think in terms of projections of the trip on politics, not just on immediate, but on medium-term politics.

I will not comment on the credits or donations made by PRC, which are modest in view of the PRC's possibilities. But all of us, particularly you, must understand that Peru must project itself as a nation that promotes its trade. Despite opposition, despite political differences, all countries throughout the world see the PRC as a great potential market with 1 billion consumers. Peru has been left out of this market. We must pave the way so Peru will also profit from this huge market through the export of Peruvian products. We have exported raw materials such as fish meal, copper, and other minerals. Peruvian light industry has a huge market in the PRC.

Unfortunately, I was unable to bring with me a coal-generated power plant—this is something that cannot be shipped immediately. Peru must think in terms of alternative energy sources, not by relying on sophisticated technology but by using available resources. Peru has large coal reserves but we lack coal-generated power plants, which the PRC can give us without any problem.

Therefore, these are the projects we sought to promote in the PRC.

[Reporter] [Passage indistinct] or as was reported by some experts, will they only help pay our debts? Will

Peru cease payments? Reports state that payments ceased in 1984. Will we be in a position to resume these payments? What will be the procedure? Will Peru establish a deadline to receive these loans? What will happen?

[Fujimori] The foreign debt we inherited from previous governments totals $22 billion; that is, $1,000 per capita; adult, child, man, or woman, it is $1,000 per capita. This is a huge amount. It totals $2 billion per year in interest alone; that is, almost 75 percent of all Peruvian exports.

The debt arrears with international organizations date from 1984. They total about $2.150 billion.

There are two positions. One, which was adopted five years ago, is that of not paying or of adopting an intransigent position; that is, we will not pay over 10 percent. The other is that of assuming a serious position, of being an indebted, but decent country, of a country that is neither a beggar nor a bad debtor.

Peru is a debtor country that has assumed its commitments and it must negotiate. This is what we are doing now. How much do we owe multinational organizations? I repeat: In debt arrears, we owe $2.150 billion. We must normalize this situation. There are no resources available. Therefore, we are seeking the mechanisms and the support of these friendly countries, so that after normalizing its ties with the international financial community, Peru may receive new money.

How much will all this total? With the IDB, for instance, we have $100 million for sanitation projects, $160 million for road projects, and there are some other projects such as Centromin [Central Peru Mining Enterprise]. Thus, the loans Peru could obtain from the IDB, the World Bank, and from other countries could amount to several hundred million dollars. Japan, Germany, and the United States are all determined to grant loans to Peru as long as this irregular situation is overcome.

[Reporter] Mr. President, meanwhile, we will continue to pay $60 million dollars monthly to international organizations?

[Fujimori] Since 1989, under the American Popular Revolutionary Alliance government, we have been paying $12 million monthly to the IMF. This is one of the agreements we are continuing to observe with the IMF. In addition, we have been paying the World Bank and the IDB amounts ranging between $35 million and $45 million every month. All this has required a great effort. We have been honoring these commitments since August.

[Reporter] [Question indistinct]?

[Fujimori] That is a sacrifice the government has been making for the past eight months as a result of an irresponsible policy implemented in recent years, which is reflected in our $22 billion foreign debt.

[Reporter] [Question indistinct]?

[Fujimori] The situation is understandable because all these problems that were accruing over the years have now surfaced. Somehow, we have to courageously address these problems. We no longer have resources. We have to rely on our few remaining resources. The other alternative, which I will not follow during my government, is to issue currency without any backing. You can rest assured that I will not issue notes to deceive the Peruvian people.

[Reporter] Mr. President, regarding the reincorporation of our country into the international financial system, it has been said—by the opposition—that if this is done there will be an abrupt change in your economic policy. Could you explain this to us? Is this going to happen?

[Fujimori] I do not understand the meaning of your question. An abrupt change in what sense?

[Reporter] In the country's economic policy.

[Fujimori] No, the international financial community is supporting us precisely because we have implemented this economic policy. A policy cannot be changed overnight. We have formulated an entire economic program for the next five years and I am sure that this economic program will yield far-reaching positive effects for many years. In fact, we have opened a new page in our history, we have taken a new direction in which the people will feel—in the medium term—as though they are participating in a productive process. We are seeking a true democratization of the productive process, so everyone can have access to it and profit from creating wealth.

[Ricardo Reyes] When will the antidrug agreement be signed with the United States and, second, I would like to ask you if the antidrug mechanism will include U.S. military aid—taking into account that Bolivia is now immersed in a debate over the presence of U.S. military advisers on Bolivian territory?

[Fujimori] It would have been signed if it had not been for some disagreements over details, which have rightfully been passed on to the Peruvian Foreign Ministry.

The two parties have the right to make pertinent comments if my government decided not to allow this to be known in Congress and to obtain a national consensus on the subject. The agreement does not include concrete military aid aspects. It is a framework agreement on which the specific struggle against drug trafficking will be carried out. No annex has been signed on military aid. There is nothing about—and no reason for—U.S. participation or presence in the Upper Huallaga Valley region. We have not considered this. If military aid is taken into consideration, it will be for the provision of equipment, spare parts, and supplies for some military units, like helicopters and motorboats—that kind of thing.

[Reporter] At the Santa Lucia base there are already DEA agents participating in missions to destroy laboratories. There have been many reports about problems between the DEA, National Police, and Army personnel.

[Fujimori] The DEA participates at a police level, not at the Army or military level. This is very different. The DEA participates as an adviser. Now, it is possible that the DEA may have carried out direct actions, but we hope this will not be included in the program.

[Isabel Martinez of Univision] Mr. President, what are the disagreements that do not allow the agreement to be signed?

[Fujimori] They are details such as, for example, the precise concept of the coca farmers' situation. We do not consider them criminals or a link in the drug trafficking chain. We hope that certain interpretations will be clarified. We think the coca farmer is simply a farmer who has been forced to plant an illegal crop, but that is all. He is not a link in the drug trafficking chain. In the past he was seen as the first link. The United States has already discarded this principle. On a scale, for example, the Peruvian coca farmers are at the lowest level.

[Reporter] Mr. President does the antidrug agreement imply that the United States may finance alternative crops for the coca regions that will be eradicated?

[Fujimori] In principle the crops will not be eradicated. It is impossible to do this. It would mean the eradication of 200,000 hectares, which would cause a serious deterioration of the environment. In an agreement of this kind—in which two parties are partners in a joint venture [preceding two words in English]—the two parties must actively participate, so the financing should come from both parties. Within this agreement, which, I repeat, is a framework agreement, we have not yet determined budgets. Not even the budget for military aid has been determined. We did not even close the traditional deal in which the United States supplies certain kinds of equipment. The procedure will be that Peru will simply request certain kinds of weapons or spare parts—a simple request like a purchase order—and the United States will send it; that is all.

[Reporter] Regarding the struggle against drug trafficking and subversion in San Martin Department where there is a tacit coexistence of terrorism and drug trafficking, some Army members—not the Peruvian Army, but some of its members—have been accused of being involved in some actions—as in the case of Juanjuy, capital of Mariscal Caceres Province, which has registered beer sales worth 360 million intis. This is a 100-percent poor city. How can this be explained when there has not been concrete action by the Army to, for example, fight drug trafficking and where the local officials have never met to adopt any measures against drug trafficking? This city has a high rate of violence: 40 murders per month. It is one of the most violent cities in the world, I believe, and hardly anything is being done against drug trafficking or subversion.

[Fujimori] Few results will be obtained if the same methodology continues to be applied. Just as the country has criticized this situation, my government has also criticized it. We are the first ones to criticize the antisubversive and antinarcotics struggle. This is why we do not accept the traditional methods. I repeat, we are the first ones to criticize all this. We cannot accept things continuing in the same vein. This is why we are negotiating a new framework agreement—to face the Shining Path, which, as everyone knows, is the right arm of drug trafficking, in a new way.

[Reporter] Mr. President, last week after Prime Minister Torres y Torres Lara said last week that an agreement had been reached with the political parties and that the antisubversive policy is again being reviewed. Does this mean there will be a change in the antisubversive policy? Will this change be made public? What will it be from now on?

[Fujimori] I explained the antisubversive policy and strategy in my message and I cannot give further details. I reiterate that the struggle is centered on arresting and identifying—as several have already been identified—the main leaders of the Shining Path and the MRTA [Tupac Amaru Revolutionary Movement]. That is our strategy.

[Reporter] As for treatment of drug trafficking, Mr. President, all we are doing is counting deaths [words indistinct] congressional committees In recent years we only dedicated ourselves to counting deaths; no effective action was taken. The concrete question is what about the participation of some Army members in drug trafficking? They are well known even in the churches of the different provinces of San Martin Department where the drug trafficking rate is the highest.

[Fujimori] If there is direct participation of Peruvian Army members in drug trafficking it would be good if they were denounced before the appropriate officials, even before the Presidency, perhaps through the media. I would be very pleased. There has been a great deal of exaggerated speculation on this subject. Without a doubt there is, or could have been, or has been corruption. But, immediate action was taken in corruption cases that were verified. They were investigated. We want to be drastic in this aspect. I cannot be responsible for what happened in the past. In such a short time I cannot destry all of the apparatus set up by drug trafficking over 10 or 15 years. It is simply not possible to do so. This is everyone's responsibility. We assume this responsibility just as we inherited it. You cannot ask for immediate results because there will not be immediate results. It would definitely be unrealistic. What was allowed to grow for 10 or 15 years cannot be destroyed in six months. You can be sure of that. If you want to ask those responsible for this situation you must look for them in the records of past years.

[Reporter] Mr. President. Two questions: One of the points that was not discussed in your speech in Nagoya is the message for the American continent contained in your speech. Enrique Iglesias plays a very important role within the Latin American context and normalization of

the foreign debt situation. We have described him as a bridge between the IDB and Peru. How do you view his role? That was the first question.

Now the second question. You also said that the PRC socialist ethic is a long way from being the basis of the immoral and pathologic ideology of the Shining Path. I would like to know if you discussed this subject with any PRC politicians.

[Fujimori] Part of the message I delivered in Nagoya was addressed to the Japanese people and Government. Japan is undoubtedly a leading world financial power. Despite this fact, this country's support to Latin America goes unnoticed. This is why I pointed out in my message the need to create an organization responsible for channeling Japanese's potential financial assistance to Latin America. I have already stated that the IDB is an organization that is aware of Latin American problems. In this way I wanted to call the attention of the Japanese people and Government so important financial assistance can be channeled through the IDB. IDB President Enrique Iglesias has undoubtedly played a very important role; first, because of his initiative to hold the IDB meeting in Nagoya to call attention to Latin American problems and through my message to try to attract some resources.

I did not discuss the matter of the Shining Path terrorist organization in the PRC. This organization has nothing to do with socialism or any other ideology. I have just said that the Shining Path terrorist organization is the right arm of drug trafficking, period. It is a criminal group. Who finances the activities of the Shining Path terrorist organization? Drug traffickers do. Who protects the criminal actions of drug traffickers? Terrorists from the Shining Path organization and the Tupac Amaru Revolutionary Movement [MRTA] do. Let me make it clear. The PRC has absolutely nothing to do with either the Shining Path organization or the MRTA. The Shining Path is linked to drug trafficking.

[Reporter] Did you obtain specific support from Japan and the PRC to face the cholera epidemic?

[Fujimori] Yes, we received various types of support, for example, important equipment that can detect the presence of cholera in three minutes. A routine analysis to detect cholera takes hours, even days. The equipment I brought with me can detect the disease in three minutes. If necessary, the Japanese Government and the firm that manufactures this equipment will continue to provide this support.

[Reporter] Considering that Bolivia is the second producer of coca after Peru and that the Bolivian and U.S. Governments have signed an agreement, we would like to know whether the Peruvian Government has taken into account any experience resulting from this agreement, especially in light of the current situation of peasants living in the Altiplano.

[Fujimori] The agreement signed between Peru and the United States was agreed upon based on the elements that generate this problem. It undoubtedly originated in Peru. I do not know whether other countries took advantage of this agreement.

[Reporter] The entire cabinet is in Congress now. Before this news conference I held talks with representatives of several parties. Is this the beginning of a government of national consensus?

[Fujimori] What may happen is that this desired consensus can go forward with some positive steps. My government has always promoted consensus since the first day I was elected president after the run-off elections. At that time, I expressed my support for consensus and national unity. It is obvious that for electoral and political reasons it has not been possible to reach a consensus, a situation that is understood by some political parties that decided to support the constructive opposition. This does not mean concrete, multiparty agreements cannot be reached on various issues. We are trying to reach agreements; for example, on matters related to drug trafficking, the antiterrorist struggle, political and economic matters, and emergency social programs. I believe we can agree on some points that will allow us to take joint actions. This does not mean a coalition government will be established. This is not the point. This is a government headed by the Change 90 movement, period. The only thing is that the other political parties will agree on various measures because they will favor the entire nation. Thank you, gentlemen.